CITY OF WESTON
SEWER REVENUE BONDS,
SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND)

Closing Date: June 24, 2005

TRANSCRIPT OF PROCEEDINGS

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State of West Virginia

Certificate

I, Betty Ireland, Secretary of State of the State of West Virginia, hereby certify that

THIS IS A TRUE COPY OF CHAPTER 16, ARTICLE 13 OF THE WEST VIRGINIA CODE, AND CHAPTER 16, ARTICLE 13 OF THE 2004 SUPPLEMENT TO THE WEST VIRGINIA CODE, AS INDICATED BY THE RECORDS OF THIS OFFICE.

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

June 7, 2005

Secretary of State

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

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

ARTICLE 13.

SEWAGE WORKS AND STORMWATER WORKS.

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16-13-1. Acquisition, operation, etc., of works; acquisition of property; issuance of bonds.
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Constitutionality. — See Brewer v. City of Point Pleasant, 114 W. Va. 572, 172 S.E. 717 (1934); Stevenson v. City of Bluefield, 39 F. Supp. 462 (S.D.W. Va. 1941); West Virginia Water Serv. Co. v. Cunningham, 143 W. Va. 1, 98 S.E.2d 891 (1957).

Obligations incurred by a city under the authority of this article permitting the issuance of revenue bonds for the construction of sewers are not to be deemed "debts" within the constitutional inhibition. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1956), commented on in 60 W. Va. L. Rev. 105 (1957).

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

Conflict of laws. — There is no conflict between this article, authorizing a city to incur expenses which are to be payable solely from the proceeds of revenue bonds, and the general statutory limitations on the expenditure of money and incurring of obligations with respect to funds produced by tax levies. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1956), commented on in 60 W. Va. L. Rev. 105 (1957).

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

Limitations. — Where a city made an agreement with the federal works administrator under the War Mobilization and Reconversion Act of 1944 with regard to advances of money to the city for the purpose of plan preparation for construction of a proposed sewage treatment and disposal system, the limitation imposed by this article would be read into the agreement, since the parties are presumed to know the extent of the city's authority to make a binding contract. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1956), commented on in 60 W. Va. L. Rev. 105 (1957).

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

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

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

(a) Any municipal corporation and/or sanitary district in the state of West Virginia is hereby authorized and empowered to own, acquire, construct, equip, operate and maintain within and/or without the corporate limits of such municipal corporation:

(1) A sewage collection system and/or a sewage treatment plant or plants, intercepting sewers, outfall sewers, force mains, pumping stations, ejector stations, and all other appurtenances necessary or useful and convenient for the collection and/or treatment, purification and disposal, in a sanitary manner, of the liquid and solid waste, sewage, night soil and industrial waste of such municipal corporation and/or sanitary district, including acquisition of the municipal sewerage system resulting from the severance of a combined system pursuant to section one-b [§ 8-20-1b], article twenty, chapter eight of this code; and

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

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

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

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

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

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

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

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

Cited in City of Beckley v. Craighead, 125 W. Va. 484, 24 S.E.2d 908 (1943); Delardas v. Morgantown Water Comm'n, 148 W. Va. 77, 137 S.E.2d 426 (1964).

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

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

(b) As used in this article, the following terms shall have the following meanings unless the text clearly indicates otherwise.

(1) "Board" means the sanitary board as set up in section eighteen [§ 16-13-18] of this article.

(2) "Governing body" means the mayor and council or other legally constituted governing body of any municipality.

(3) "Municipality" means any municipal corporation, incorporated city, town, village or sanitary district in the state of West Virginia.

(4) "Sewage works" means a works for the collection and/or treatment, purification and disposal of sewage, in its entirety or any integral part thereof.

(5) "Stormwater system" or "stormwater works" means a stormwater system in its entirety or any integral part thereof used to collect and dispose of stormwater and an associated stormwater management program. It includes all facilities, structures and natural water courses used for collecting and conducting stormwater to, through and from drainage areas to the points of final outlet, including, but not limited to, any and all of the following: Inlets, conduits, corals, outlets, channels, ponds, drainage easements, water quality facilities, catch basins, ditches, streams, gulches, flumes, culverts, syphons, retention or detention basins, dams, floodwalls, levies, pipes, flood control systems and pumping stations, and associated stormwater management program. The term "stormwater system" and "stormwater works" shall not include highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia division of highways.

(6) "Stormwater management program" means those activities associated with the management, operation, maintenance and control of stormwater and stormwater works, including, but not limited to, public education, stormwater and surface runoff water quality improvement, mapping, planning, flood control, inspection, enforcement and any other activities required by state and federal law: Provided, That, as used in this article, "stormwater management program" shall not include those activities associated with the management, operation, maintenance and control of highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia Division of Highways without the express agreement of the commissioner of highways.

(7) "Works" means sewage works and stormwater works either separately or collectively. (1933, Ex. Sess., c. 25, § 2; 2001, c. 212.)

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

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

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

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

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

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

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

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

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

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

exempted from competitive bidding requirements and enter into direct purchase agreements or contracts for the expenses. All public ways or public works damaged or destroyed by the board in carrying out its authority under this article shall be restored or repaired by the board and placed in their original condition, as nearly as practicable, if requested so to do by proper authority, out of the funds provided by this article. (1933, Ex. Sess., c. 25, § 3; 1989, c. 133; 2001, cc. 143, 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, deleted "such" throughout the section; in the third undesignated paragraph, substituted "the sum of ten thousand dollars" for "the sum of five thousand dollars"; in the fourth undesignated paragraph, substituted "may consider expedient" for "may deem expedient", inserted "stormwater conduits" and added "including... improvement activities" at the end; and made other, minor changes.

Editor's notes. — Acts 2001, c. 143, effective July 10, 2001, also proposed to amend this section; however, the amendments therein have been deemed superceded by those found in Acts 2001, c. 212, which are set out above. The superceded amendment, set out below, would have substituted "the sum of ten thousand dollars" for "the sum of five thousand dollars".

Chapter 143 read:

"The board shall have power to take all steps and proceedings and to make and enter into all contracts or agreements necessary or incidental to the performance of its duties and the execution of its powers under this article: Provided, That any contract relating to the financing of the acquisition or construction of any such works, or any trust indenture as hereinafter provided for, shall be approved by the governing body of such municipality before the same shall be effective. The board may employ engineers, architects, inspectors, superintendents, managers, collectors, attorneys, and such other employees as in its judgment may be necessary in the execution of its powers and duties, and may fix their compensation, all of whom shall do such work as the board shall direct. All such compensation and all expenses incurred in carrying out the provisions of this article shall be paid solely from funds provided under the authority of this article, and the board shall not exercise or carry out any authority or power herein given it so as to bind said board of said municipality beyond the extent to which money shall have been or may be provided under the authority of this article. No contract or agreement with any contractor or contractors for labor and/or material, exceeding in amount the sum of ten thousand dollars, shall be made without advertising for bids, which bids shall be publicly opened and award made to the best bidder, with power in the board to reject any or all bids. After the construction, installation, and completion of the works, or the acquisition thereof, the board shall operate, manage and control the same and may order and complete any extensions, betterments and improvements of and to the works that the board may deem expedient, if funds therefor be available or are made available as provided in this article, and shall establish rules and regulations for the use and operation of the works, and of other sewers and drains connected therewith so far as they may affect the operation of such works, and do all things necessary or expedient for the successful operation thereof. The sanitary board may declare an emergency situation in the event of collector line breaks or vital treatment plant equipment failure and shall be exempted from competitive bidding requirements and enter into direct purchase agreements or contracts for such expenses. All public ways or public works damaged or destroyed by the board in carrying out its authority under this article shall be restored or repaired by the board and placed in their original condition, as nearly as practicable, if requested so to do by proper authority, out of the funds provided by this article."

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

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

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

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

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

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

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

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

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

bonds, and not in any way from tax levies. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1956), commented on in 60 W. Va. L. Rev. 105 (1957).

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

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

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

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

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

After such ordinance shall have been adopted, an abstract of the ordinance, determined by the governing body to contain sufficient information as to give notice of the contents of such ordinance, together with the following described notice, shall be published as a Class II legal advertisement in compliance with the provisions of article three [§§ 59-3-1 et seq.], chapter fifty-nine of this Code, and the publication area for such publication shall be the municipality. The notice shall state that said ordinance has been adopted, and that the municipality contemplates the issuance of the bonds described in the ordinance, and that any person interested may appear before the governing body upon a certain date, which shall not be less than ten days subsequent to the first date of publication of such abstract and notice which shall not be prior to the last date of publication of such abstract and notice, and present protests. At such hearing all objections and suggestions shall be heard and the governing body shall take such action as it shall deem proper in the premises: Provided, however, That if at such a hearing written protest is filed by thirty percent or more of the owners of real estate situate in said municipality, then the governing body of said municipality shall not take further action unless four fifths of the qualified members of the said governing body assent thereto. (1933, Ex. Sess., c. 25, § 6; 1967, c. 105; 1981, 1st Ex. Sess., c. 2.)

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

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

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

§ 16-13-8. Cost of works.

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

Advances. — Advances from the United States to a city for the purpose of plan preparation for construction of a proposed sewage treatment and disposal system represent a part of the cost of the works which should have been repaid out of the first proceeds received from the sale of the first issue of revenue bonds. Such repayment would not in any way increase the cost of the works; it was the very first item of expense incurred in connection with the works. Under the agreement between the city and the United States, it was a liability from the moment construction of the sewage treatment and disposal plant was begun. No disadvantage would result to bondholders as a result of the payment of this just debt out of the proceeds of a future revenue bond issue. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1956), commented on in 60 W. Va. L. Rev. 105 (1957).

Preliminary expenses. — It is foreseen, as shown in this section, that a city may probably incur expenses in "determining the feasibility or practicability of the enterprise." Such determination would of course be made prior to the issuance of any revenue bonds, and probably before the creation of a sanitary board. It might often result in a rejection of the project altogether, in which event no revenue bonds would be issued, and any obligation incurred by the city might prove to be uncollectible. On the other hand, if the project be undertaken by the city, whatever loans may have been made on the faith of the revenue bonds would or should be included in the cost of the works and repaid out of the proceeds of the bonds. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1956), commented on in 60 W. Va. L. Rev. 105 (1957).

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

Nothing in this article contained shall be so construed as to authorize or permit any municipality to make any contract or to incur any obligation of any kind or nature except such as shall be payable solely from the funds provided under this article. Funds for the payment of the entire cost of any of the works referred to in this article, exclusive of any portions of the cost that may be defrayed out of any grant or contribution, shall be provided by the issuance of revenue bonds of the municipality, the principal and interest of which shall be payable solely from the fund herein provided for the payment, and the bonds may not, in any respect, be a corporate indebtedness of the municipality, within the meaning of any statutory or constitutional limitations thereon. All the details of the bonds shall be determined by ordinance or ordinances of the municipality. (1933, Ex. Sess., c. 25, § 9; 1949, c. 93; 2001, c. 212.)

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

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, substituted "the" for "such" throughout, substituted "any of the works referred to in this article" for "the works", and substituted "the bonds may not" for "the bonds shall not".

Applicability. — The provisions of this article become a part of the contract between the municipality and the bondholders as effectually as if written verbatim in the bonds. The bondholders are bound by their contract in this instance just as firmly as in any other legal contract. Consequently, the bonds do not create a corporate indebtedness of the municipality. Brewer v. City of Point Pleasant, 114 W. Va. 572, 172 S.E. 717 (1934); United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1956), commented on in 60 W. Va. L. Rev. 105 (1957).

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

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

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

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

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

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

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

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

All moneys received from any bonds issued pursuant to this article, after reimbursements and repayment to said municipality of all amounts advanced for preliminary expenses as provided in section four [§ 16-13-4] of this article, shall be applied solely to the payment of the cost of the work, extensions, improvements or betterments, or to the appurtenant sinking fund and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holders of the bonds or the trustees hereinafter provided for. (1933, Ex. Sess., c. 25, § 13.)

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

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

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

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

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

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

outstanding bonds payable therefrom at the market price thereof, but not exceeding the price, if any, at which the same shall in the same year be payable or redeemable, and all bonds redeemed or purchased shall forthwith be cancelled and shall not again be issued. After the payments into such fund as herein required, the board may at any time in its discretion transfer all or any part of the balance of the net revenues, after reserving an amount deemed by the board sufficient for operation, repair and maintenance for an ensuing period of not less than twelve months and for depreciation, into the sinking fund or into a fund for extensions, betterments and additions to the works. The amounts of the balance of the net revenue as and when so set apart shall be remitted to the West Virginia municipal bond commission to be retained and paid out by said commission consistent with the provisions of this article and with the ordinance pursuant to which such bonds have been issued. The West Virginia municipal bond commission is hereby authorized to act as fiscal agent for the administration of such sinking fund, under any ordinance passed pursuant to the provisions of this article, and shall invest all such sinking funds as provided by general law. Notwithstanding the foregoing, payments of principal and interest on any bonds owned by the United States of America or any agency or department thereof may be made by the governing body directly thereto. (1933, Ex. Sess., c. 25, § 15; 1933, 2nd Ex. Sess., c. 48; 1986, c. 118.)

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

The governing body shall have power, and it shall be its duty, by ordinance, to establish and maintain just and equitable rates, fees or charges for the use of and the service rendered by:

(a) Sewerage works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses such works by or through any part of the sewerage system of the municipality, or that in any way uses or is served by such works; and

(b) Stormwater works, to be paid by the owner of each and every lot, parcel of real estate, or building that in any way uses or is served by such stormwater works or whose property is improved or protected by the stormwater works or any user of such stormwater works.

The governing body may change and readjust such rates, fees or charges from time to time. However, no rates, fees or charges for stormwater services may be assessed against highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia division of highways.

Such rates, fees or charges shall be sufficient in each year for the payment of the proper and reasonable expense of operation, repair, replacements and maintenance of the works and for the payment of the sums herein required to be paid into the sinking fund. Revenues collected pursuant to this section shall be considered the revenues of the works.

No such rates, fees or charges shall be established until after a public hearing, at which all the users of the works and owners of property served or

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

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

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

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

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

Whenever any rates, rentals, fees or charges for services or facilities furnished shall remain unpaid for a period of thirty days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities shall be delinquent until such time as all rates, fees and charges are fully paid.

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

interest and penalty charges, have been paid in full. (1933, Ex. Sess., c. 25, § 16; 1933, 2nd Ex. Sess., c. 48; 1959, c. 125; 1967, c. 105; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, inserted "fees" preceding "charges" throughout; in the first paragraph, deleted "such" from the end; inserted (b); in the second paragraph of (b), added "The governing body" and the last sentence; in the third paragraph of (b), substituted "shall be considered" for "shall be deemed"; in the seventh paragraph of (b), deleted "however" following "Provided"; and made other, minor changes.

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

Applicability. — Although the public service commission concluded that cities providing only sewer service are not covered by this section, which applies to municipalities that provide both water and sewer service, the district court implicitly rejected the commission's interpretation. City of Charleston v. Public Serv. Comm'n, 57 F.3d 385 (4th Cir. 1995), cert. denied, 516 U.S. 974, 116 S. Ct. 474, 133 L. Ed. 2d 404 (1995).

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

Jurisdiction. — The fact that this section speaks of the enforcement of the lien in a "civil action" should not be construed as placing that jurisdiction in our courts of law simply because the word "action," strictly applied, does not usually refer to chancery practice. City of Beckley v. Craighead, 125 W. Va. 484, 24 S.E.2d 908 (1943).

Municipal sewer system is subject to jurisdiction of public service commission, so municipality is required to file its rates with the commission for approval in accordance with §§ 24-2-1 et seq. 45 Op. Att'y Gen. 642 (1954).

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

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

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

§ 16-13-17. Government units subject to established rates.

The municipality and any county government, state government and federal government served by the services of the works shall be subject to the same fees, charges and rates established as provided in this article, or to fees, charges and rates established in harmony therewith, for service rendered the municipality, county, state or federal government and shall pay such rates, fees or charges when due from corporate funds and the same shall be considered to be a part of the revenues of the works as herein defined, and be applied as herein provided for the application of the revenues. However, no rates, fees or charges for stormwater services may be assessed against highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia division of highways. (1933, Ex. Sess., c. 25, § 17; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, substituted "Government units" for "Municipality" in the section heading; inserted "fees" preceding "charges" throughout; inserted "and any county... works", substituted "as provided in this article" for "as hereinbefore provided", inserted "county, state or federal government", substituted "shall be considered" for "shall be deemed", substituted "the revenues" for "such revenues"; and added the last sentence.

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

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

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

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

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

The members of the sanitary board shall receive compensation for their services, either as a salary or as payments for meetings attended, as the governing body may determine, and shall be entitled to payment for their reasonable expenses incurred in the performance of their duties. The governing body shall fix the reasonable compensation of the secretary and treasurer in its discretion, and shall fix the amounts of bond to be given by the treasurer. All compensation, together with the expenses in this section referred to, shall be paid solely from funds provided under the authority of this article. The sanitary board shall have power to establish bylaws, rules and regulations for its own government. (1933, Ex. Sess., c. 25, § 18; 1939, c. 96; 1953, c. 146; 1969, c. 137; 1992, c. 95; 2001, c. 212.)

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

ceding "term", substituted "The mayor" for "Such mayor"; and in the last paragraph, deleted "such" preceding "compensation".

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

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

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

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

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

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

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

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

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

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

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

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

Every sanitary board shall prepare a financial statement and cause the same to be published as a Class I legal advertisement in compliance with the provisions of article three [§§ 59-3-1 et seq.], chapter fifty-nine of this Code, and the publication area for such publication shall be the sanitary district. Such statement shall contain an itemized account of the receipts and expenditures of the board during the previous fiscal year, showing the source from which all money was derived, and the name of the person to whom an order was issued, together with the amount of such order, and why such order was issued, arranging the same under distinct heads, and including all money received and expended from the sale of bonds, and also a specific statement of the debts of such board, showing the purpose for which any debt was contracted, the amount of money in all funds at the end of the preceding year, and the amount of uncollected service charges. Such statement shall be prepared and published by the board as soon as practicable after the close of the fiscal year: Provided, That such statement for the fiscal year ending June

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

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

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

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

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

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

works as in this article defined and be applied as herein provided for the application of the revenues. (1933, Ex. Sess., c. 25, § 19; 1981, 1st Ex. Sess., c. 2; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, substituted "the" for "such" throughout, inserted "fees" following "rates" throughout; in the first paragraph, inserted "or stormwater works", substituted "state" for "State", deleted "such" preceding "contracts", deleted "such" following "Provided", deleted "such" preceding "contract" in the proviso; in the last paragraph, deleted "such" preceding "contract", and substituted "considered" for "deemed" in the last sentence.

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

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

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

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

Any holder of any such certificates or any of the coupons attached thereto, and the trustee, if any, except to the extent the rights herein given may be restricted by said ordinance authorizing issuance of the bonds or by the trust indenture, may either at law or in equity, by suit, action, mandamus or other proceeding protect and enforce any and all rights granted hereunder or under such ordinance or trust indenture, and may enforce and compel performance of all duties required by this article or by such ordinance or trust indenture to be performed by the municipality issuing the bonds or by the board or any officer, including the making and collecting of reasonable and sufficient charges and rates for service rendered by the works. If there be any failure to pay the principal or interest of any of the bonds on the date therein named for such payment, any court having jurisdiction of the action may appoint a receiver to administer the works on behalf of the municipality and the bondholders and/or trustee, except as so restricted, with power to charge and collect rates sufficient to provide for the payment of the expenses of operation, repair and maintenance and also to pay any bonds and interest outstanding and to apply the revenues in conformity with this article and the said ordinance and/or trust indenture. (1933, Ex. Sess., c. 25, § 21.)

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

As to receivers, see Rule 66.

As to application of rules to extraordinary remedies, see Rule 81(a)(5).

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

The authority herein given shall be in addition to and not in derogation of any power existing in any municipality under any statutory or charter

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

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

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

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

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

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

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

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

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

§ 16-13-22c. Refunding bonds.

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

§ 16-13-22d. Subordination of bonds.

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

§ 16-13-22e. Operating contract.

Any such municipality may enter into contracts or agreements with any persons, firms or corporations for the operation and management of the facilities and properties of said sewerage system, or any part thereof, for such period of time and under such terms and conditions as shall be agreed upon between such municipality and such persons, firms or corporations. Such municipality shall have power to provide in the resolution authorizing the issuance of bonds hereunder, or in any trust indenture, securing such bonds, that such contracts or agreements shall be valid and binding upon the municipality as long as any of said bonds, or interest thereon, are outstanding and unpaid. (1955, c. 132.)

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

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

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

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

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

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

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

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

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

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

(f) The manner and terms upon which all bonds and other obligations issued hereunder may be declared immediately due and payable upon the happening of a default in the payment of the principal of or interest thereon, or in the performance of any covenant or agreement with bondholders, and the manner and terms upon which defaults may be declared cured and the acceleration of the maturity of such bonds rescinded and repealed;

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

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

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

(j) Such other additional covenants as shall be considered necessary or desirable for the security of the holders of bonds issued hereunder, notwithstanding that other covenants are not expressly enumerated hereunder, it being the intention hereof to grant to the municipalities the power to make any and all covenants or agreements necessary in order to secure greater marketability for bonds issued hereunder as fully and to the same extent as such covenants or agreements could be made by a private corporation rendering similar services and facilities and to grant such municipalities full and complete power to enter into any contracts, covenants or agreements with holder of bonds issued hereunder not inconsistent with the constitution of the state of West Virginia. (1955, c. 132; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, substituted "the" for "such" throughout, inserted "or stormwater system" following "sewerage system" throughout, substituted "considered" for "deemed" throughout; in the first paragraph, substituted "the bonds" for "said bonds"; in (f), deleted "such" preceding "defaults"; in (j), deleted "such" preceding "other covenants", and made other, minor changes.

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

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

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

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

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

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

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

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

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

No such rates, fees or charges shall be established until after a public hearing, at which all the potential users of the works and owners of property served or to be served thereby and others shall have had an opportunity to be heard concerning the proposed rates or charges.

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

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

Any change or readjustment of rates, fees or charges may be made in the same manner as rates, fees or charges were originally established as hereinbefore provided: Provided, however, That if such change or readjustment be made substantially pro rata, as to all classes of service, no hearing or notice is required.

If any rate, fees or charge so established is not paid within thirty days after the same is due, the amount thereof, together with a penalty of ten percent, and a reasonable attorney's fee, may be recovered by the sanitary board of such municipal corporation in a civil action in the name of the municipality.

Any municipal corporation exercising the powers given herein has authority to construct, acquire, improve, equip, operate, repair and maintain any plants, machinery, or works necessary to comply with the order of the director of the division of environmental protection or the environmental quality board, and the authority provided herein to establish, maintain and collect rates, fees or charges is an additional and alternative method of financing such works and matters, and is independent of any other provision of this article insofar as the article provides for or requires the issuance of revenue bonds or the imposition of rates, fees and charges in connection with the bonds: Provided, That except for the method of financing such works and matters, the construction, acquisition, improvement, equipment, custody, operation, repair and maintenance of any plants, machinery or works in compliance with an order of the director of the division of environmental protection or the environmental quality board, and the rights, powers, and duties of the municipal corporation and the respective officers and departments thereof, including the sanitary board, are governed by the provisions of this article: Provided, That the

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

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

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

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

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

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

ARTICLE 13A.

PUBLIC SERVICE DISTRICTS FOR WATER, SEWERAGE AND GAS SERVICES.

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

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§ 16-9F-3. Penalties.

(a) Any person who knowingly violates the provisions of this article with a total quantity of less than two cartons of cigarettes shall, for the first offense, be punished by a civil penalty of no more than one thousand dollars, and for a second or subsequent offense involving a total quantity of less than two cartons of cigarettes shall be punished by a civil penalty of no more than five thousand dollars and the revocation for a period of six months of any business held by the person.

(b) Any person who knowingly violates the provisions of this article with a total quantity of two or more cartons of cigarettes shall, for the first offense, be punished by a civil penalty of no more than two thousand dollars, and for a second or subsequent offense involving a total quantity of two or more cartons of cigarettes shall be punished by a civil penalty of no more than fifty thousand dollars and the revocation for a period of one year of any business registration certificate held by the person. (2003, c. 246.)

§ 16-9F-4. Enforcement.

The attorney general, the prosecuting attorney for the county in which counterfeit cigarettes are found or any person who holds a valid permit under 26 U.S.C. § 5712 may bring an action in the circuit court of that county to prevent or restrain violations of this article by any person, or any person controlling that person. (2003, c. 246.)

ARTICLE 13.

SEWAGE WORKS OF MUNICIPAL CORPORATIONS AND SANITARY DISTRICTS.

Sec.

16-13-16. Rates for service; deposit required for new customers; forfeiture of deposit; reconnecting deposit; tenant's deposit; change or readjustment; hearing; lien and recovery; discontinuance of services.

Effect of amendment of 2004. — Acts 2004, c. 185, effective June 10, 2004, substituted "Sewage Works of Municipal Corporations and Sanitary Districts" for "Sewage Works and Stormwater Works" in the article heading.

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§ 16-13-16. Rates for service; deposit required for new customers; forfeiture of deposit; reconnecting deposit; tenant's deposit; change or readjust-

ment; hearing; lien and recovery; discontinuance of services.

The governing body shall have power, and it shall be its duty, by ordinance, to establish and maintain just and equitable rates, fees or charges for the use of and the service rendered by:

(a) Sewerage works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses such works by or through any part of the sewerage system of the municipality, or that in any way uses or is served by such works; and

(b) Stormwater works, to be paid by the owner of each and every lot, parcel of real estate, or building that in any way uses or is served by such stormwater works or whose property is improved or protected by the stormwater works or any user of such stormwater works.

(c) The governing body may change and readjust such rates, fees or charges from time to time. However, no rates, fees or charges for stormwater services may be assessed against highways, road and drainage easements and/or stormwater facilities constructed, owned and/or operated by the West Virginia division of highways.

(d) All new applicants for service shall indicate to the governing body whether they are an owner or tenant with respect to the service location.

(e) The governing body may collect from all new applicants for service a deposit of fifty dollars or two twelfths of the average annual usage of the applicant's specific customer class, whichever is greater, to secure the payment of service rates, fees and charges in the event they become delinquent as provided in this section. In any case where a deposit is forfeited to pay service rates, fees and charges which were delinquent at the time of disconnection or termination of service, no reconnecting or reinstatement of service may be made by the governing body until another deposit equal to fifty dollars or a sum equal to two twelfths of the average usage for the applicant's specific customer class, whichever is greater, is remitted to the governing body. After twelve months of prompt payment history, the governing body shall return the deposit to the customer or credit the customer's account with interest at a rate as the public service commission may prescribe: Provided, That where the customer is a tenant, the governing body is not required to return the deposit until the time the tenant discontinues service with the governing body. Whenever any rates, fees, rentals or charges for services or facilities furnished remain unpaid for a period of twenty days after the same become due and payable, the user of the services and facilities provided is delinquent and the user is liable at law until all rates, fees and charges are fully paid. The governing body may, under reasonable rules promulgated by the public service commission, shut off and discontinue water services to a delinquent user of sewer facilities ten days after the sewer services become delinquent regardless of whether the governing body utilizes the security deposit to satisfy any delinquent payments.

(f) Such rates, fees or charges shall be sufficient in each year for the payment of the proper and reasonable expense of operation, repair, replace-

ments and maintenance of the works and for the payment of the sums herein required to be paid into the sinking fund. Revenues collected pursuant to this section shall be considered the revenues of the works.

(g) No such rates, fees or charges shall be established until after a public hearing, at which all the users of the works and owners of property served or to be served thereby and others interested shall have an opportunity to be heard concerning the proposed rates, fees or charges.

(h) After introduction of the ordinance fixing such rates, fees or charges, and before the same is finally enacted, notice of such hearing, setting forth the proposed schedule of such rates, fees or charges, shall be given by publication as a Class II-0 legal advertisement in compliance with the provisions of article three [§§ 59-3-1 et seq.], chapter fifty-nine of this code, and the publication area for such publication shall be the municipality. The first publication shall be made at least ten days before the date fixed in such notice for the hearing.

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

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

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

(*l*) Whenever any rates, rentals, fees or charges for services or facilities furnished shall remain unpaid for a period of twenty days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities shall be delinquent until such time as all rates, fees and charges are fully paid. When any payment for rates, rentals, fees or charges becomes delinquent, the governing body may use the security deposit to satisfy the delinquent payment.

(m) The board collecting such rates, fees or charges shall be obligated under reasonable rules to shut off and discontinue both water and sewer services to all delinquent users of either water facilities, or sewer facilities or both, and shall not restore either water facilities or sewer facilities, to any delinquent user of either until all delinquent rates, fees or charges for both water facilities, and sewer facilities, including reasonable interest and penalty charges, have been paid in full. (1933, Ex. Sess., c. 25, § 16; 1933, 2nd Ex. Sess., c. 48; 1959, c. 125; 1967, c. 105; 2001, c. 212; 2004, c. 185.)

Effect of amendment of 2004. — Acts 2004, c. 185, effective June 10, 2004, inserted "deposit required for new customers; forfeiture of deposit; reconnecting deposit; tenant's deposit" in the introductory language; added the subsection designations for (c) through (m); added (d) and (e); substituted "Class II-0" for "Class II-O" in (h); substituted "within twenty days" for "within thirty days" in (k); in (*l*) substituted "twenty days" for "thirty days" and added the second sentence; and deleted "and regulations" following "reasonable rules" in (m).

ARTICLE 13A.

PUBLIC SERVICE DISTRICTS FOR WATER, SEWERAGE AND GAS SERVICES.

Sec.	
16-13A-1c.	General purpose of districts.
16-13A-2.	Creation of districts by county commission; enlarging, reducing, merging, or dissolving district; consolidation; agreements, etc.; infringing upon powers of county commission; filing list of members and districts with the secretary of state.
16-13A-3.	District to be a public corporation and political subdivision; powers thereof; public service boards.
16-13A-5.	General manager of board.
16-13A-7.	Acquisition and operation of district properties.
16-13A-8.	Acquisition and purchase of public service properties; right of eminent domain; extraterritorial powers.
16-13A-9.	Rules; service rates and charges; discontinuance of service; required water and sewer connections; lien for delinquent fees.
16-13A-14.	Items included in cost of properties.
16-13A-18a.	Sale, lease or rental of water, sewer, stormwater or gas system by district; distribution of proceeds.
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§ 16-13A-1. Legislative findings.

Code of State Rules References. — Government of public service districts, 150 CSR 17, effective September 1, 1990.

§ 16-13A-1c. General purpose of districts.

Any territory constituting the whole or any part of one or more counties in the state so situated that the construction or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of, properties supplying water, sewerage or stormwater services or gas distribution services or all of these within such territory, will be conducive to the preservation of the public health, comfort and convenience of such area, may

State of West Virginia

Certificate

I, Betty Ireland, Secretary of State of the State of West Virginia, hereby certify that

THIS IS A TRUE COPY OF CHAPTER 31, ARTICLE 15A OF THE WEST VIRGINIA CODE, AS INDICATED BY THE RECORDS OF THIS OFFICE.

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

June 7, 2005

Secretary of State

ARTICLE 15A.

WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL.

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31-15A-21. Purchase and cancellation of infrastructure revenue bonds.
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§ 31-15A-1. Short title.

This article shall be known and may be cited as the "West Virginia Infrastructure and Jobs Development Act." (1994, 1st Ex. Sess., c. 26.)

Cited in State ex rel. Cooper v. Caperton, 196 W. Va. 208, 470 S.E.2d 162 (1996).

§ 31-15A-2. Definitions.

For purposes of this article:

(a) "Bond" or "infrastructure revenue bond" means a revenue bond, note, or other obligation issued by the water development authority pursuant to this article, including bonds to refund such bonds and notes to renew such notes, and notes in anticipation of and payable from the proceeds of such bonds.

(b) "Code" means the code of West Virginia, one thousand nine hundred thirty-one, as amended;

(c) "Cost" means, as applied to any project to be financed, in whole or in part, with infrastructure revenues or funds otherwise provided pursuant to this article, the cost of planning, acquisition, improvement and construction of the project; the cost of preliminary design and analysis, surveys, borings; the cost of environmental, financial, market and engineering feasibility studies, assessments, applications, approvals, submissions or clearances; the cost of preparation of plans and specifications and other engineering services; the cost of acquisition of all land, rights-of-way, property rights, easements, franchise rights and any other interests required for the acquisition, repair, improvement or construction of the project; the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which buildings or structures may be moved; the cost of excavation, grading, shaping or treatment of earth, demolishing or removing any buildings or structures; the cost of constructing any buildings or other improvements; the cost of all pumps, tanks, vehicles, apparatus and other machinery, furnishings and equipment; loan or origination fees and all finance charges and interest incurred prior to and during the construction and for no more than six months after completion of construction; the cost of all legal services and expenses; the cost of all plans, specifications, surveys and estimates of cost; all working capital and other expenses necessary or incident to determining the feasibility or practicability of acquiring, repairing, improving or constructing any project; the cost of placing any project in operation; and all other costs and expenses of any kind or nature incurred or to be incurred by the project sponsor developing the project that are reasonable and necessary for carrying out all works and undertakings necessary or incident to the accomplishment of any project: Provided, That costs shall not include any amounts related to the ongoing operations of the owner or operator, depreciation thereof or any other cost which the council or the water development authority has not determined to be consistent with the purposes and objectives of this article;

(d) "Council" means the West Virginia infrastructure and jobs development council created in section three [§ 31-15A-3] of this article;

(e) "Division of environmental protection" means the division [department] of environmental protection established under article one [§§ 22-1-1 et seq.], chapter twenty-two of this code, or any successor to all or any substantial part of its powers and duties;

(f) "Division of health" means the division of health created in article one [§§ 16-1-1 et seq.], chapter sixteen of this code, or any successor to all or any substantial part of its powers and duties;

(g) "Economic development authority" means the economic development authority established under article fifteen [§§ 31-15-1 et seq.], chapter thirty-one of the code, or any successor to all or any substantial part of its powers and duties;

(h) "Emergency project" means a project which the council has determined: (1) Is essential to the immediate economic development of an area of the state; and (2) will not likely be developed in that area if construction of the project is not commenced immediately;

(i) "Governmental agency" means any county; municipality; watershed improvement district; assessment district; soil conservation district; sanitary district; public service district; drainage district; regional governmental authority and any other state governmental agency, entity, political subdivision or public corporation or agency authorized to acquire, construct or operate water or wastewater facilities or infrastructure projects;

(j) "Housing development fund" means the West Virginia housing development fund established under article eighteen [§§ 31-18-1 et seq.] of this chapter, or any successor to all or any substantial part of its powers and duties;

(k) "Infrastructure fund" means the West Virginia infrastructure fund created and established in section nine [§ 31-15A-9] of this article;

(*l*) "Infrastructure project" means a project in the state which the council determines is likely to foster and enhance economic growth and development in the area of the state in which the project is developed, for commercial, industrial, community improvement or preservation or other proper purposes, including, without limitation, tourism and recreational housing, land, air or water transportation facilities and bridges, industrial or commercial projects and facilities, mail order, warehouses, wholesale and retail sales facilities and other real and personal properties, including facilities owned or leased by this state or any other project sponsor, and includes, without limitation: (1) The process of acquiring, holding, operating, planning, financing, demolition, construction, improving, expanding, renovation, leasing or otherwise disposing of the project or any part thereof or interest therein; and (2) preparing land for construction and making, installing or constructing improvements on the land, including water or wastewater facilities or any part thereof, steam, gas, telephone and telecommunications and electric lines and installations, roads, bridges, railroad spurs, buildings, docking and shipping facilities, curbs, gutters, sidewalks, and drainage and flood control facilities, whether on or off the site;

(m) "Infrastructure revenue" means all amounts appropriated by the Legislature; all amounts deposited into the infrastructure fund; any amounts received, directly or indirectly, from any source for the use of all or any part of any project completed pursuant to this article; and any other amounts received by the state treasurer, council or the water development authority for the purposes of this article;

(n) "Need of the project sponsors" means there is a public need for a project. The council shall construe a population increase evidenced by the last two decennial censuses in a county in which a project is proposed, as a factor supporting the conclusion that a need exists for projects in that county.

(o) "Project" means any wastewater facility, water facility project or any combination thereof, constructed or operated or to be constructed or operated by a project sponsor;

(p) "Project sponsor" means any governmental agency or person, or any combination thereof, including, but not limited to, any public utility, which intends to plan, acquire, construct, improve or otherwise develop a project;

(q) "Public service commission" means the public service commission of West Virginia created and established under section three [§ 24-1-3], article one, chapter twenty-four of this code, or any successor to all or any substantial part of its powers and duties;

(r) "Person" means any individual, corporation, partnership, association, limited liability company or any other form of business organization;

(s) "Public utility" means any person or persons, or association of persons, however associated, whether incorporated or not, including, without limitation, any governmental agency, operating a wastewater facility or water facility as a public service, which is regulated by the public service commission as a public utility under chapter twenty-four [§§ 24-1-1 et seq.] of this code or which is required to file its tariff with the public service commission;

(t) "State development office" means the West Virginia development office established under article two [§§ 5B-2-1 et seq.], chapter five-b of this code, or any successor to all or any substantial part of its powers and duties;

(u) "State infrastructure agency" means the division of health, division of environmental protection, housing development fund, public service commission, state development office, water development authority, economic development authority and any other state agency, division, body, authority, commission, instrumentality or entity which now or in the future receives applications for the funding of, and provides funding or technical assistance to, the planning, acquisition, construction or improvement of a project;

(v) "Waste water facility" means all facilities, land and equipment used for or in connection with treating, neutralizing, disposing of, stabilizing, cooling, segregating or holding waste water, including, without limitation, facilities for the treatment and disposal of sewage, industrial wastes or other wastes, wastewater, and the residue thereof; facilities for the temporary or permanent impoundment of wastewater, both surface and underground; and sanitary sewers or other collection systems, whether on the surface or underground, designed to transport wastewater together with the equipment and furnishings therefor or thereof and their appurtenances and systems, whether on the surface or underground including force mains and pumping facilities therefor;

(w) "Water development authority" means the West Virginia water development authority continued pursuant to the provisions of article one [§§ 22C-1-1 et seq.], chapter twenty-two-c of this code, or any successor to all or any substantial part of its powers and duties; and

(x) "Water facility" means all facilities, land and equipment used for or in connection with the collection and/or storage of water, both surface and underground, transportation of water, storage of water, treatment of water and distribution of water all for the purpose of providing potable, sanitary water suitable for human consumption and use. (1994, 1st Ex. Sess., c. 26; 1998, c. 180.)

§ 31-15A-3. West Virginia infrastructure and jobs development council continued; members of council; staff of council.

(a) The West Virginia infrastructure and jobs development council is hereby continued. The council is a governmental instrumentality of the state. The exercise by the council of the powers conferred by this article and the carrying out of its purpose and duties shall be considered and held to be, and are hereby determined to be, essential governmental functions and for a public purpose.

(b) The council shall consist of eleven members, including the executive director of the housing development fund or his or her designee, the director of the division of environmental protection or his or her designee, the director of the economic development authority or his or her designee, the director of the water development authority or his or her designee, the executive director of the state development office or his or her designee, the director of the division of health or his or her designee, the chairman of the public service commission or his or her designee, and four members representing the general public: Provided, That there shall be at least one member representing the general public from each congressional district: Provided, however, That after the expiration of the term of office of the members first appointed as representatives of the general public, no more than one member representing the general public may be a resident of the same county. The governor shall appoint the public members of the council who shall serve three-year staggered terms. The commissioner of the division of highways, the executive director of the state rail authority, two members of the West Virginia Senate, two members of the West Virginia House of Delegates, one representative of the board of directors of the state college system and one representative of the board of trustees of the university of West Virginia shall serve as advisory members of the council. The governor shall appoint the legislative members of the council: Provided, further, That no more than three of the legislative members may be of the same political party. The governor shall appoint the representatives of the governing boards from a list of three names submitted by each governing board. The advisory members shall be ex officio, nonvoting members of the council.

(c) The council shall annually elect one of its members as chairman, and shall appoint a secretary, who need not be a member of the council and who shall keep records of its proceedings. Six members of the council shall constitute a quorum and the affirmative vote of at least the majority of those members present shall be necessary for any action taken by vote of the council. No vacancy in the membership of the council impairs the rights of a quorum by such vote to exercise all the rights and perform all the duties of the council.

(d) No member of the council who serves by virtue of his or her office shall receive any compensation or reimbursement of expenses for serving as a member. The members of the council who represent the general public shall receive reimbursement for actual expenses incurred in the service of the council.

The council shall meet at least monthly to review projects and infrastructure projects requesting funding assistance and otherwise to conduct its

business, and shall meet more frequently if necessary. Notwithstanding any other provision of this article to the contrary, the economic development authority shall not be subject to council review with regard to any action taken pursuant to the authority established in article fifteen [§§ 31-15-1 et seq.], chapter thirty-one of this code nor shall the governor's civil contingent fund be subject to council review with regard to projects or infrastructure projects funded through the governor's civil contingent fund.

(f) The water development authority shall provide office space for the council, and each governmental agency represented on the council shall provide staff support for the council in the manner determined by the council from time to time.

(g) The council shall invite to all its meetings one or more representatives of the United States department of agriculture, rural economic community development, the United States economic development agency and the United States army corps of engineers or any successors thereto. The council shall also invite such other appropriate parties as may be necessary to effectuate the purposes of this article. (1994, 1st Ex. Sess., c. 26; 1995, c. 130.)

§ 31-15A-4. Development of guidelines and preliminary application for funding assistance.

(a) To implement and carry out the intent of this article, the council shall promulgate legislative rules in accordance with article three [§§ 29A-3-1 et seq.], chapter twenty-nine-a of this code to develop comprehensive, uniform guidelines for use by the council and other state infrastructure agencies in evaluating any request by a project sponsor for funding assistance to plan, acquire, construct, improve or otherwise develop a project or infrastructure project. The guidelines shall include the following factors: (1) the public health benefits of the project or infrastructure project; (2) the economic development benefits of the project or infrastructure project; (3) the degree to which the project or infrastructure project will correct deficiencies in the compliance of water supply or sewage treatment facilities with state or federal laws, regulations or standards; (4) the degree to which the project or infrastructure project encourages effective and efficient consolidation of water or sewage treatment systems consistent with the comprehensive plan developed pursuant to section six [§ 31-15A-6], of this article; (5) the cost effectiveness of the project or infrastructure project as compared with alternatives which achieve substantially the same public health or economic development benefits, including the consideration of providing maximum feasible fire protection; (6) the availability of alternative sources of funding which could finance all or a part of the project and infrastructure project, and the need for the assistance of the council to finance the project or infrastructure project or attract other sources of funding; (7) the applicant's ability to operate and maintain the system if the project or infrastructure project is approved; (8) the degree to which the project or infrastructure project achieves other state or regional planning goals; (9) the estimated date upon which the project or infrastructure project could commence if funding were available and the estimated compl-

tion date of the project or infrastructure project; and (10) such other considerations as the council may consider necessary or appropriate to accomplish the purpose and intent of this article.

(b) The council shall create a preliminary application form which shall be used by all project sponsors requesting funding assistance from state infrastructure agencies to plan, acquire, construct, improve or otherwise develop an infrastructure project or project. The preliminary application form shall contain all information required by all state infrastructure agencies that will be required to issue permits and/or certificates regarding the project or infrastructure project. The preliminary application shall require the project sponsor to set forth the type and proposed location of the infrastructure project or project; the estimated total cost of the project; the amount of funding assistance required and the specific uses of the funding; other sources of funding available or potentially available for the infrastructure project or project; information demonstrating the need for the infrastructure project or project and that the proposed funding of the project is the most economically feasible and viable alternative to completing the project or infrastructure project; and such other information as the council considers necessary to enable it to recommend the type of project or infrastructure project financing, in terms of the kind, amount and source of funding, which the project sponsor should pursue and which the state infrastructure agency or agencies should consider an appropriate investment of public funds, and to otherwise carry out the intent of this article. (1994, 1st Ex. Sess., c. 26.)

Code of State Rules References. — Infrastructure and jobs development council funding rules, 167CSR1, effective June 6, 1996.

§ 31-15A-5. Requirements for project funding assistance; review of project preliminary applications by council.

(a) No project sponsor may apply for or receive any loan, loan guarantee, grant or other funding assistance for a project or infrastructure project from any state infrastructure agency (i) unless the project sponsor requiring the funding assistance first submits a completed preliminary application to the council on the form prepared for such purpose by the council pursuant to section four of this article, and (ii) except as may be recommended by the council after consideration of the preliminary application: Provided, That any project sponsor which has an infrastructure project or project with either acceptable bids or all funding in place on the effective date of this act is not required to comply with the provisions of this section.

(b) The council shall, within thirty days of receipt of each completed preliminary application submitted to it, review the preliminary application and either (i) make a written recommendation as to the infrastructure project or project financing, in terms of the kind, amount and source of funding, which the project sponsor submitting the application should pursue and which the state infrastructure agency or agencies should consider an appropriate invest-

ment of public funds, or (ii) if the council determines that (1) the proposed project or infrastructure project is not eligible for funding assistance from any state infrastructure agency, or (2) the proposed project or infrastructure project is not otherwise an appropriate or prudent investment of state funds, the council shall recommend that the project sponsor not seek funding from any state infrastructure agency. A project sponsor shall include the preliminary application and the council's recommendations in any application to a state infrastructure agency.

(c) The council shall provide a copy of its recommendation with respect to each preliminary application, together with a copy of the preliminary application, to all appropriate state infrastructure agencies, which shall take into account the council's recommendations with respect to a project or infrastructure project before taking any action with respect to the project. No state infrastructure agency shall take any action inconsistent with the recommendation of the council unless the governing body of the agency, or the head of the agency if it has no governing body, expressly finds and determines that the recommendation is not in the best interest of the state or the area in which the proposed infrastructure project or project is to be located.

(d) In reviewing each preliminary application, the council shall use the engineering, financial and technical expertise of the respective staffs of the state infrastructure agencies represented on the council so as to recommend for funding those projects or infrastructure projects which are consistent with the purposes and intent of this article and with the policies and priorities of this state generally. The council may include in its findings a recommendation that a state infrastructure agency consider technical reports on the project prepared by other infrastructure agencies or by any federal agency. (1994, 1st Ex. Sess., c. 26.)

Code of State Rules References. — Infrastructure and jobs development council funding rules, 167 CSR 1, effective June 6, 1996.

§ 31-15A-6. Powers, duties and responsibilities of the council generally; comprehensive assessment.

(a) In addition to the powers set forth elsewhere in this article, the council is hereby granted, has and may exercise all powers necessary or appropriate to carry out and effectuate the purposes and intent of this article. The council shall have the power and capacity to:

(1) Provide consultation services to project sponsors in connection with the planning, acquisition, improvement, construction or development of any infrastructure project or project;

(2) Periodically prepare a list of infrastructure projects or projects which cannot meet the established funding guidelines of the various state infrastructure agencies, other than the housing development fund, but which are consistent with the mandates of this article and recommend to the water development authority that it make a grant or loan to the project sponsors

from the infrastructure fund to finance the cost of one or more such projects or infrastructure projects;

(3) Do all other acts necessary and proper to carry out the powers expressly granted to the authority in this article; and

(4) To make and execute contracts, commitments and obligations and other instruments necessary or convenient for the exercise of its powers.

(b) The council shall develop a comprehensive statewide inventory of water supply systems and sewage treatment systems and an assessment of current and future needs by the first day of July, one thousand nine hundred ninety-six. The assessment shall identify the areas of the state which do not have adequate public water or sewage systems and offer recommendations for the construction of new facilities or the extension or expansion of existing facilities to meet the identified needs. The council shall include in the assessment an identification of the obstacles, issues and problems which prevent or inhibit development of adequate infrastructure throughout the state, including financial, governmental, physical, or geographical factors and make recommendation as the council considers appropriate regarding the obstacles, issues or problems identified. This comprehensive inventory and assessment shall be updated at least once in every three year period after the initial assessment and inventory is completed.

(c) The council shall study the viability of the consolidation of public service districts throughout the state: Provided, That the study shall encompass not only public service districts but also any and all entities which provide or supply water and sewer service to the general public: Provided, however, That the council shall, in the preparation of the study, consult with the public service district division of the public service commission and representatives of the West Virginia rural water association and the West Virginia association of public service districts, as needed. The council shall report their findings and conclusions on or before the sixteenth of January of the year one thousand nine hundred ninety-five to the governor, speaker of the house of delegates and president of the senate. (1994, 1st Ex. Sess., c. 26.)

§ 31-15A-7. Current and prospective planning; roads and highways; report to division of highways.

(a) The council shall take into account the current and prospective infrastructure needs in relation to plans of the division of highways for the development and building of new roads. Upon completion an environmental impact study, the commissioner of highways shall provide the council with plans for any and all new roads. In a timely manner, the council shall advise the commissioner of the division of highways on the feasibility of the expansion of new or existing water and sewer lines concomitant to the construction of the new roads.

(b) The council has the authority to appoint local infrastructure planning teams. The local infrastructure planning teams may consist of the following: A designee of the division of highways from the region where the new road is being built; a designee of the division of highways from the central state office;

a designee from the environmental engineers division of the department of health and human resources; a designee from the local developmental authority where the new road is being built; a designee from the regional developmental authority in the area where the new road is being built; a designee from the public service commission; a designee from the division of environmental protection; a designee from the county commission where the new road is being built who shall serve as chairperson of the planning team; a citizen of the county where the new road is being built to be chosen by the county commission; and the elected state delegates and senators from the area where the new road is being built. In order to avoid delay of any highway project, immediately upon appointment of a local infrastructure planning team, the director of the division of highways shall submit to the council a time frame within which the planning team must act and within which the planning team must submit any plans, maps, recommendations or reports developed pursuant to this subsection. The local infrastructure planning team shall meet prior to the development and building of a new road. Members of the local infrastructure planning team shall only receive payment for actual expenses incurred. The local infrastructure planning team shall advise the commissioner of the division of highways on the feasibility of an infrastructure plan. The local infrastructure planning team shall meet to develop an infrastructure plan that includes an assessment study of existing water and sewer lines and a feasibility study on future development and laying of water and sewer lines. After these studies are completed, a developmental map shall be drawn of the proposed road route with overlays of the proposed water and sewer lines. These studies and the map shall be presented to the commissioner of the division of highways and shall be used by the commissioner in the planning, developing and building of the road.

(c) The water development authority shall establish a restricted account within the infrastructure fund to be expended for the construction of water and sewage lines as may be recommended by the council in accordance with this article and specifically, in accordance the plan developed under subsection (b) of this section. The reserve account shall be known as the "infrastructure road improvement reserve account". The council and the division of highways may enter into agreements to share the cost of financing projects approved in accordance with this section from moneys available in the infrastructure road reserve account and moneys available from the state road fund. Annually, the council may direct the water development authority to transfer funds from the infrastructure fund in an amount not to exceed one million dollars to the restricted account: Provided, That at no time may the balance of the restricted account exceed one million dollars.

(d) For the purposes of this section the term "new" means a road right-of-way being built for the first time.

(e) After the construction of water and sewer lines adjacent to the new road these new lines shall be turned over to existing utilities by expansion of boundaries of public service districts or shall be main extensions from the municipality. (1994, 1st Ex. Sess., c. 26.)

§ 31-15A-8. Exemption of certain emergency projects from certificate of public convenience and necessity requirements; review of certain emergency projects by public service commission; and exemption for North Fork Hughes River watershed project.

(a) If the council determines a project to be an emergency and the emergency project will be funded solely with grant money for the extension of an existing certificated water facility or wastewater facility, and if the council finds in its recommendation that the construction and acquisition of the emergency project will have no effect on the public utility's customer rates and will have no significant effect on its operational costs as a result of the project cost, then the emergency project is exempt from the requirement to obtain a certificate of public convenience and necessity under section eleven [§ 24-2-11], article two, chapter twenty-four of this code. If the public utility is a public service district, it is exempt from the approval of the public service commission required under section twenty-five [§ 16-13A-25], article thirteen-a, chapter sixteen of this code.

(b) Any public utility, and any other entity that will operate as a public utility, must obtain a certificate of public convenience and necessity pursuant to section eleven [§ 24-2-11], article two, chapter twenty-four of this code for any emergency project that is not exempt under subsection (a) of this section. The public service commission shall render its final decision on any application for a certificate within one hundred twenty days of the filing of the application: Provided, That the thirty-day prefiling requirement is not required. If the project sponsor is a public service district, then the project will be exempted from the approval requirements of section twenty-five [§ 16-13A-25], article thirteen-a, chapter sixteen of this code.

(c) Projects that are not emergency projects are subject to the requirements of section eleven, article two, chapter twenty-four of this code to the extent they would be otherwise.

(d) The North Fork Hughes River watershed project, proposed to enhance economic growth and development through tourism as provided in subsection (*l*), section two [§ 31-15A-2] of this article and to include a water facility project as defined in subsection (n), section two of this article, is hereby specifically exempted from any requirement imposed by this article, except that the provisions of subsection (a) of this section are specifically made applicable to the project. The project is hereby specifically authorized and the public land corporation shall have and may exercise the power of eminent domain and all authority otherwise prescribed by law to acquire necessary land and rights-of-way, to include approximately four hundred seventy-eight acres, in connection with the project. Funding for the project shall be provided by the federal government from the Appalachian regional commission through the United States soil conservation service. Upon completion of the project, the property acquired shall be transferred to the state park system. The commissioner of the division of tourism and parks or the successor to the commission-

er's powers and duties is directed to expand the boundaries of North Bend state park to include the project area and to operate the expanded park property, including improved recreational facilities, from funds appropriated for that purpose. (1994, 1st Ex. Sess., c. 26; 1998, c. 180.)

Editor's notes. — Concerning the reference in (d) to "a water facility project as defined in subsection (n), section two of this article," the term "water facility" is defined in subsection (x) of that section.

§ 31-15A-9. Infrastructure fund; deposits in fund; disbursements to provide loans, loan guarantees, grants and other assistance; loans, loan guarantees, grants and other assistance shall be subject to assistance agreements.

(a) The water development authority shall create and establish a special revolving fund of moneys made available by appropriation, grant, contribution or loan to be known as the "West Virginia Infrastructure Fund". This fund shall be governed, administered and accounted for by the directors, officers and managerial staff of the water development authority as a special purpose account separate and distinct from any other moneys, funds or funds owned and managed by the water development authority. The infrastructure fund shall consist of sub-accounts, as deemed necessary by the council or the water development authority, for the deposit of: (1) Infrastructure revenues; (2) any appropriations, grants, gifts, contributions, loan proceeds or other revenues received by the infrastructure fund from any source, public or private; (3) amounts received as payments on any loans made by the water development authority to pay for the cost of a project or infrastructure project; (4) insurance proceeds payable to the water development authority or the infrastructure fund in connection with any infrastructure project or project; (5) all income earned on moneys held in the infrastructure fund; (6) all funds deposited in accordance with section four [§ 31-15B-4] of article fifteen-b; and (7) all proceeds derived from the sale of bonds issued pursuant to article fifteen-b [§§ 31-15B-1 et seq.] of this chapter.

Any money collected pursuant to this section shall be paid into the West Virginia infrastructure fund by the state agent or entity charged with the collection of the same, credited to the infrastructure fund, and used only for purposes set forth in this article or article fifteen-b [§§ 31-15B-1 et seq.].

Amounts in the infrastructure fund shall be segregated and administered by the water development authority separate and apart from its other assets and programs. Amounts in the infrastructure fund may not be transferred to any other fund or account or used, other than indirectly, for the purposes of any other program of the water development authority, except that the water development authority may use funds in the infrastructure fund to reimburse itself for any administrative costs incurred by it and approved by the council in connection with any loan, loan guarantee, grant or other funding assistance made by the water development authority pursuant to this article.

(b) Notwithstanding any provision of this code to the contrary, amounts in the infrastructure fund shall be deposited by the water development authority in one or more banking institutions: Provided, That any moneys so deposited shall be deposited in a banking institution located in this state. The banking institution shall be selected by the water development authority by competitive bid. Pending the disbursement of any money from the infrastructure fund as authorized under this section, the water development authority shall invest and reinvest the moneys subject to the limitations set forth in article eighteen [§§ 31-18-1 et seq.], chapter thirty-one of this code.

(c) To further accomplish the purposes and intent of this article and article fifteen-b [§§ 31-15B-1 et seq.] of this chapter, the water development authority may pledge infrastructure revenues and from time to time establish one or more restricted accounts within the infrastructure fund for the purpose of providing funds to guarantee loans for infrastructure projects or projects: Provided, That for any fiscal year the water development authority may not deposit into the restricted accounts more than twenty percent of the aggregate amount of infrastructure revenues deposited into the infrastructure fund during the fiscal year. No loan guarantee shall be made pursuant to this article unless recourse under the loan guarantee is limited solely to amounts in the restricted account or accounts. No person shall have any recourse to any restricted accounts established pursuant to this subsection other than those persons to whom the loan guarantee or guarantees have been made.

(d) Each loan, loan guarantee, grant or other assistance made or provided by the water development authority shall be evidenced by a loan, loan guarantee, grant or assistance agreement between the water development authority and the project sponsor to which the loan, loan guarantee, grant or assistance shall be made or provided, which agreement shall include, without limitation and to the extent applicable, the following provisions:

(1) The estimated cost of the infrastructure project or project, the amount of the loan, loan guarantee or grant or the nature of the assistance, and in the case of a loan or loan guarantee, the terms of repayment and the security therefor, if any;

(2) The specific purposes for which the loan or grant proceeds shall be expended or the benefits to accrue from the loan guarantee or other assistance, and the conditions and procedure for disbursing loan or grant proceeds;

(3) The duties and obligations imposed regarding the acquisition, construction, improvement or operation of the project or infrastructure project; and

(4) The agreement of the governmental agency to comply with all applicable federal and state laws, and all rules and regulations issued or imposed by the water development authority or other state, federal or local bodies regarding the acquisition, construction, improvement or operation of the infrastructure project or project and granting the water development authority the right to appoint a receiver for the project or infrastructure if the project sponsor should default on any terms of the agreement.

(e) Any resolution of the water development authority approving loan, loan guarantee, grant or other assistance shall include a finding and determination that the requirements of this section have been met.

(f) The interest rate on any loan to governmental, quasi-governmental, or not for profit project sponsors for projects made pursuant to this article shall not exceed three percent per annum. Due to the limited availability of funds available for loans for projects, it is the public policy of this state to prioritize funding needs to first meet the needs of governmental, quasi-governmental and not for profit project sponsors and to require that loans made to for-profit entities shall bear interest at the current market rates. Therefore, no loan may be made by the council to a for-profit entity at an interest rate which is less than the current market rate at the time of the loan agreement.

(g) The water development authority shall cause an annual audit to be made by an independent certified public accountant of its books, accounts and records, with respect to the receipts, disbursements, contracts, leases, assignments, loans, grants and all other matters relating to the financial operation of the infrastructure fund, including the operating of any sub-account within the infrastructure fund. The person performing such audit shall furnish copies of the audit report to the commissioner of finance and administration [office abolished], where they shall be placed on file and made available for inspection by the general public. The person performing such audit shall also furnish copies of the audit report to the Legislature's joint committee on government and finance. (1994, 1st Ex. Sess., c. 26; 1995, c. 130.)

Editor's notes. — The office of the commissioner of finance and administration was abolished, and the duties of that office were transferred to the secretary of administration. See § 5A-1-2.

§ 31-15A-10. Recommendations by council for expenditures of funds by loan, grant or for engineering assistance.

(a) To further accomplish the purpose and intent of this article, the water development authority shall use the moneys in the infrastructure fund created pursuant to section nine [§ 31-15A-9] of this article, upon receipt of one or more recommendations from the council pursuant to section five [§ 31-15A-5] of this article, to make loans, with or without interest, loan guarantees or grants and to provide other assistance, financial, technical or otherwise, to finance all or part of the costs of infrastructure projects or projects to be undertaken by a project sponsor: Provided, That any moneys disbursed from the infrastructure fund in the form of grants shall not exceed twenty percent of the total funds available for the funding of projects. No loan, loan guarantee, grant or other assistance shall be made or provided except upon a determination by the council that the loan, loan guarantee, grant or other assistance and the manner in which it will be provided are necessary or appropriate to accomplish the purposes and intent of this article, based upon an application submitted to the council: Provided, however, That no grant shall be made to a project sponsor that is not a governmental agency or a not for profit corporation under the provisions of section 501(c) [26 USCS § 501(c)] of the Internal Revenue Code of 1986 , as amended. Applications for loans, loan guarantees, grants or other assistance may be submitted by a project sponsor for one or

more infrastructure projects on preliminary application forms prepared by the council pursuant to section four [§ 31-15A-4] of this article. Any recommendation of the council approving a loan, loan guarantee, grant or other assistance shall include a finding and determination by the council that the requirements of this section have been met. The council shall base any decisions to loan money for projects to project sponsors pursuant to this article solely on the need of the project sponsors.

(b) The council has the authority in its sole discretion to make grants to project sponsors if it finds that: (1) The level of rates for the users would otherwise be an unreasonable burden given the users' likely ability to pay; or (2) the absence of a sufficient number of users prevents funding of the project except through grants: Provided, That no project sponsor shall receive infrastructure grant money in an amount in excess of fifty percent of the total cost of the project. Therefore, the council may consider the economic or financial conditions of the area to be served. As a condition for receipt of a grant under this subsection, the council may require, in addition to any other conditions, that the applicant pursue other state or federal grant or loan programs. Upon a recommendation by the council, the water development authority shall provide the grant in accordance with the recommendation. The council shall develop criteria to be considered in making grants to project sponsors which shall require consideration of the economic or financial conditions of the area to be served and the availability of other funding sources. The council shall adopt procedural rules regarding the manner in which grants will be awarded in conformity with this section. The procedural rules shall be adopted pursuant to article three [§§ 29A-3-1 et seq.], chapter twenty-nine-a of this code.

(c) Notwithstanding any other provision of this article to the contrary, the council shall apply a mandatory minimum end user utility rate that must be met by the project sponsor before funding assistance may be awarded. The mandatory minimum end utility rate shall be be based upon a uniform statewide percentage of the median household income in a particular geographic area and said rate shall not exceed six tenths of one percent: Provided, That funding assistance made from the proceeds of any general obligation bonds and revenue bonds issued after the fifteenth day of March, one thousand nine hundred ninety-eight, after transfer required to make the state match for the water and wastewater revolving loan programs pursuant to article two [§§ 22C-2-1 et seq.], chapter twenty-two-c and article thirteen-c [§§ 16-13C-1 et seq.], chapter sixteen of this code, shall be provided by the council on a pro rata basis divided equally among the congressional districts of this state as delineated in accordance with section three [§ 1-2-3], article two, chapter one of this code: Provided, however, That infrastructure projects as defined in subsection (*l*), section two [§ 31-15A-2] of this article shall not be subject to pro rata distribution. When determining median household income of a geographic area of the project to be served, the council shall consider any surveys of the income of the households that will be served by the project.

(d) No loan or grant funds may be made available for a project if the project to be funded will provide subsidized services to certain users in the service area of the project.

(e) Notwithstanding any other provision of this article to the contrary, engineering studies and requirements imposed by the council for preliminary applications shall not exceed those engineering studies and requirements which are necessary for the council to determine the economic feasibility of the project. If the council determines that the engineering studies and requirements for the preapplication would impose an undue hardship on any project sponsor, the council may provide funding assistance to project sponsors to defray the expenses of the preapplication process from moneys available in the infrastructure fund for making loans: Provided, That the council may only provide funding assistance in an amount equal to five thousand dollars or fifty percent of the total preapplication cost of the project, whichever amount is greater. If the project is ultimately approved for a loan by the council, the amount of funding assistance provided to the project sponsor for the preapplication process shall be included in the total amount of the loan to be repaid by the project sponsor. If the project is not ultimately approved by the council, then the amount of funding assistance provided to the project sponsor will be considered a grant by the council and the total amount of the assistance shall be forgiven. In no event may the amount of funding assistance provided to all project sponsors exceed, in the aggregate, one hundred thousand dollars annually.

(f) The council shall report to the governor, the speaker of the House of Delegates and the president of the Senate during each regular and interim session of the Legislature, on its activities and decisions relating to distribution or planned distribution of grants and loans under the criteria to be developed pursuant to this article. (1994, 1st Ex. Sess., c. 26; 1995, c. 130; 1998, c. 180.)

Code of State Rules References. — Infrastructure and jobs development council funding rules, 167 CSR 1, effective June 6, 1996.

Editor's notes. — Section 501 of the Internal Revenue Code of 1986, referred to in (a), is codified at 26 USCS § 501.

§ 31-15A-11. Reservation of funds for projects and infrastructure projects.

Eighty percent of the funds deposited in the West Virginia infrastructure fund shall be dedicated for the purpose of providing funding for the cost of projects as defined in subsection (n), section two [§ 31-15A-2] of this article. Twenty percent of the funds deposited in the West Virginia infrastructure fund shall be dedicated for the purpose of providing funding for costs of infrastructure projects as defined in subsection (*l*), section two of this article. Project sponsors of infrastructure projects shall follow the application process as established by this article: Provided, That notwithstanding any provision of this article to the contrary, all applications for any infrastructure project shall be submitted to the council for community and economic development, or its successor, for review, recommendation and approval regarding infrastructure project funding. (1994, 1st Ex. Sess., c. 26; 1998, c. 180.)

Editor's notes. — Concerning the reference to "projects as defined in subsection (n), section two of this article," the term "project" is defined in subsection (o) of that section.

§ 31-15A-12. Additional powers of water development authority.

To accomplish the purpose and intent of this article, the water development authority is hereby empowered, in addition to all other powers granted to it under this code, upon approval of the council, to (1) enter into agreements or other transactions with any federal or state agency in connection with any infrastructure project or project; (2) receive or administer on behalf of any federal or state agency grants, subsidies or other payments to be applied to the costs of any infrastructure project or project financed in whole or in part or otherwise assisted by the water development authority, including, but not limited to, payments to be applied to operating costs and debt service or obligations of any project sponsor; (3) receive and accept aid or contributions from any source of money, property, labor or other things of value, to be held, used and applied only for the purposes for which such grants and contributions are made; (4) establish and amend the criteria and qualifications for making loans, loan guarantees or grants, or providing any other assistance, for any infrastructure project or project, and the terms of any loans, loan guarantee, grant or assistance agreement for any project; and (5) do all things which are necessary to further the purposes and intent of this article. (1994, 1st Ex. Sess., c. 26.)

§ 31-15A-13. Prohibition on funds inuring to the benefit of or being distributable to water development board; transactions between the water development board and officers having certain interests in such transactions.

No part of the infrastructure fund or the West Virginia infrastructure revenue debt service fund shall inure to the benefit of or be distributable to the water development board directors or officers of the water development authority except that the water development authority is authorized and empowered to pay reasonable compensation, other than to members of the water development board, including the chairman, vice chairman, secretary-treasurer for services rendered and to make loans and exercise its other powers as previously specified in furtherance of its corporate purpose: Provided, That no loans shall be made, and no property shall be purchased or leased from, or sold, leased or otherwise disposed of, to any water development board member or officer of the water development authority. (1994, 1st Ex. Sess., c. 26; 1998, c. 180.)

§ 31-15A-14. Termination or dissolution.

Upon the termination or dissolution of the water development authority, all rights and properties of the water development authority with respect to the

infrastructure fund shall pass to and be vested in the state, subject to the rights of lienholders and other creditors. (1994, 1st Ex. Sess., c. 26.)

§ 31-15A-15. Projects not to be considered public improvements; competitive bid requirements.

(a) No project or infrastructure project acquired, constructed, maintained or financed, in whole or in part, by the water development authority shall be considered to be a "public improvement" within the meaning of the provisions of article five-a [§§ 21-5A-1 et seq.], chapter twenty-one of this code as a result of the financing.

(b) The state and its subdivisions shall, except as provided in subsection (c) of this section, solicit competitive bids and require the payment of prevailing wage rates as provided in article five-a [§§ 21-5A-1 et seq.], chapter twenty-one of this code for every project or infrastructure project funded pursuant to this article exceeding twenty-five thousand dollars in total cost.

Following the solicitation of the bids, the construction contract shall be awarded to the lowest qualified responsible bidder, who shall furnish a sufficient performance and payment bond: Provided, That the state and its subdivisions may reject all bids and solicit new bids on the project.

(c) This section does not:

(1) Apply to work performed on construction or repair projects not exceeding a total cost of fifty thousand dollars by regular full-time employees of the state or its subdivisions: Provided, That no more than fifty thousand dollars shall be expended on an individual project in a single location in a twelve-month period;

(2) Prevent students enrolled in vocational educational schools from being used in the construction or repair projects when such use is a part of the students' training program;

(3) Apply to emergency repairs to building components and systems: Provided, That the term "emergency repairs" means repairs that, if not made immediately, will seriously impair the use of the building components and systems or cause danger to those persons using the building components and systems; or

(4) Apply to any situation where the state or a subdivision of the state comes to an agreement with volunteers, or a volunteer group, by which the governmental body will provide construction or repair materials, architectural, engineering, technical or any other professional services and the volunteers will provide the necessary labor without charge to, or liability upon, the governmental body: Provided, That the total cost of the construction or repair projects does not exceed fifty thousand dollars.

(d) The provisions of subsection (b) of this section do not apply to privately owned projects or infrastructure projects constructed on lands not owned by the state or a subdivision of the state. (1994, 1st Ex. Sess., c. 26; 2001, c. 45.)

§ 31-15A-16. Dedication of severance tax proceeds.

(a) There shall be dedicated an annual amount from the collections of the tax collected pursuant to article thirteen-a [§§ 11-13A-1 et seq.], chapter

eleven of this code for the construction, extension, expansion, rehabilitation, repair and improvement of water supply and sewage treatment systems and for the acquisition, preparation, construction and improvement of sites for economic development in this state as provided in this article.

(b) Notwithstanding any other provision of this code to the contrary, beginning on the first day of July, one thousand nine hundred ninety-five, the first sixteen million dollars of the tax collected pursuant to article thirteen-a [§§ 11-13A-1 et seq.], chapter eleven of this code shall be deposited to the credit of the West Virginia infrastructure general obligation debt service fund created pursuant to section three [§ 31-15B-3], article fifteen-b of this chapter: Provided, That beginning on the first day of July, one thousand nine hundred ninety-eight, the first twenty-four million dollars of the tax annually collected pursuant to article thirteen-a of this code shall be deposited to the credit of the West Virginia infrastructure general obligation debt service fund created pursuant to section three, article fifteen-b of this chapter.

(c) Notwithstanding any provision of subsection (b) of this section to the contrary: (1) none of the collections from the tax imposed pursuant to section six [§ 11-13A-6], article thirteen-a, chapter eleven of this code shall be so dedicated or deposited; and (2) the portion of the tax imposed by article thirteen-a [§§ 11-13A-1 et seq.], chapter eleven and dedicated for purposes of medicaid and the division of forestry pursuant to section twenty-a [§ 11-13A-20a] of said article thirteen-a shall remain dedicated for the purposes set forth in said section twenty-a.

(d) On or before the first day of May of each year, commencing the first day of May, one thousand nine hundred ninety-five, the council, by resolution, shall certify to the treasurer and the water development authority the principal and interest coverage ratio and amount for the following fiscal year on any infrastructure general obligation bonds issued pursuant to the provisions of article fifteen-b [§§ 31-15B-1 et seq.] of this chapter. (1994, 1st Ex. Sess., c. 26; 1995, c. 130; 1998, c. 180.)

§ 31-15A-17. Water development authority empowered to issue infrastructure revenue bonds and refunding bonds; creation of infrastructure revenue debt service fund; funding of infrastructure revenue debt service fund; requirements and manner of such issuance.

(a) To accomplish the purpose and intent of this article, the water development authority is hereby empowered at the written request of the council to issue from time to time infrastructure revenue bonds of the state in such principal amounts as the council deems necessary to make loans and loan guarantees and other forms of financial assistance to project sponsors for one or more projects or infrastructure projects: Provided, That the water development authority may not issue any such bonds, other than refunding bonds, unless the council by resolution determines that the aggregate cost of the

projects or infrastructure projects expected to be constructed during any annual period exceeds (1) the projected annual infrastructure revenues for the same period, and (2) the principal and interest payments not otherwise pledged to the infrastructure revenue debt service fund that are due the water development authority on all outstanding loans previously made by the water development authority pursuant to the provisions of this article.

(b) The proceeds of infrastructure revenue bonds shall be used solely for the purpose of making loans and loan guarantees and other forms of financial assistance to sponsors of one or more projects or infrastructure projects, and shall be deposited in one or more special accounts with the trustee under the trust agreement securing such bonds and disbursed from time to time for projects or infrastructure projects in accordance with this article: Provided, That notwithstanding any provision of this code to the contrary, twenty percent of the funds deposited in the special account shall be dedicated for the purpose of providing funding for costs of infrastructure projects as defined in subsection (*l*), section two [§ 31-15A-2], of this article.

(c) The water development authority may not authorize the disbursement of any proceeds of infrastructure revenue bonds unless it has received documentation from the council pursuant to the provisions of section ten [§ 31-15A-10] of this article.

(d) There is hereby created in the water development authority a special fund which shall be designated and known as the "West Virginia Infrastructure Revenue Debt Service Fund," into which shall be transferred solely from the loan repayments deposited in the infrastructure fund the amounts certified by the director of the water development authority as necessary to pay the principal, premium, if any, and interest on infrastructure revenue bonds and any reserve requirements, subject to the terms of any agreement with the holders of the infrastructure revenue bonds. All amounts deposited in the West Virginia infrastructure revenue debt service fund shall be pledged to the repayment of the principal, interest and redemption premium, if any, on any infrastructure revenue bonds authorized by this article: Provided, That amounts on deposit in the fund may be used to establish or maintain reserves created for the purposes of securing such infrastructure revenue bonds. The pledge shall be valid and binding from the time the pledge is made, and the West Virginia infrastructure revenue debt service fund so pledged shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the water development authority irrespective of whether the parties have notice thereof.

(e) Except as may otherwise be expressly provided in this article or by resolution of the water development authority, every issue of infrastructure revenue bonds shall be special obligations of the water development authority payable solely from amounts in the West Virginia infrastructure revenue debt service fund, and the reserves created for this purpose by the water development authority, without preference or priority among the bonds regardless of when issued, subject only to any agreements with the holders of any bonds to the contrary. All such bonds are hereby declared to be negotiable instruments.

(f) Infrastructure revenue bonds shall be authorized by resolution of the water development authority. These bonds shall bear such dates and shall mature at such times, in case of any note or renewal thereof not exceeding five years from the date of issue of the original note, and in the case of any bond not exceeding fifty years from the date of issue, as the resolution may provide. Infrastructure revenue bonds shall bear interest at a rate or rates, including variable rates, shall be taxable or tax-exempt, shall be in the denominations, shall be in registered form, shall carry the registration privileges, shall be payable in the medium and place of payment, and shall be subject to the terms of redemption as the water development authority may authorize. Infrastructure revenue bonds may be sold by the water development authority at public or private sale at the price the water development authority determines in consultation with the council. Infrastructure revenue bonds shall be executed by the chairman and the vice chairman of the water development authority, either or both of whom may use a facsimile signature. The official seal of the water development authority or a facsimile thereof shall be affixed thereto or printed thereon and attested by manual or facsimile signature by the secretary-treasurer of the water development authority. If any officer whose signature, or a facsimile of whose signature appears on any infrastructure revenue bond ceases to be such officer before delivery of such bond, such signature or facsimile is nevertheless sufficient for all purposes to the same extent as if he or she had remained in office until such delivery, and if the seal of the water development authority has been changed after a facsimile has been imprinted on such bond, the facsimile will continue to be sufficient for all purposes.

(g) Any resolution authorizing any infrastructure revenue bonds may contain provisions, subject to any agreement with bondholders or noteholders which may then exist, which agreements shall be part of the contract with the holder thereof, with respect to the pledge of or other use and disposition of amounts in the infrastructure revenue debt service fund; the setting aside of reserve funds; the disposition of any assets of the water development authority; limitations on the purpose to which the proceeds of sale of bonds may be applied; the authorization of notes issued in anticipation of the issuance of bonds; an agreement of the water development authority to do all things necessary for the authorization, issuance and sale of such bonds in such amounts as may be necessary for the timely retirement of such notes; limitations on the issuance of additional bonds; the terms upon which additional bonds may be issued and secured; the refunding of outstanding bonds and the renewal of outstanding notes; the procedures, if any, by which the terms of any contract with bondholders or noteholders may be amended or abrogated; the amount of bonds the holders of which must consent thereto and the manner in which such consent may be given; and any other matter which in any way affects the security for or protection of the bonds.

(h) In the event that the sum of all reserves pledged to the payment of the bonds is less than the minimum reserve requirements established in any resolution or resolutions authorizing the issuance of the bonds, the chairman or the director of the water development authority shall certify, on or before the

first day of December of each year, the amount of such deficiency to the governor of the state for inclusion, if the governor shall so elect, of the amount of such deficiency in the budget to be submitted to the next session of the Legislature for appropriation to the water development authority to be pledged for payment of such bonds: Provided, That the Legislature shall not be required to make any appropriations so requested, and the amount of such deficiencies shall not constitute a debt or liability of the state.

(i) Neither the officers or board members of the water development authority, nor any person executing the infrastructure revenue bonds, shall be liable personally on the bonds or be subject to any personal liability or accountability by reason of the issuance thereof. (1998, c. 180.)

§ 31-15A-17a. Infrastructure revenue bonds payable from A. James Manchin fund.

Notwithstanding any other provision of this code to the contrary, the water development authority may issue, in accordance with the provisions of section seventeen [§ 31-15A-17] of this article, infrastructure revenue bonds payable from the A. James Manchin fund created by section six [§ 17-24-6], article twenty-four, chapter seventeen of this code and such other sources as may be legally pledged for such purposes other than the West Virginia infrastructure revenue debt service fund created by section seventeen of this article. (2003, c. 251.)

Effective dates. — Acts 2003, c. 251, provided that the act take effect June 6, 2003.

§ 31-15A-18. Trustee for holders of infrastructure revenue bonds; contents of trust agreement.

(a) Any infrastructure revenue bonds issued by the water development authority under this article shall be secured by a trust agreement between the water development authority and a corporate trustee, which trustee may be any trust company or banking institution having the powers of a trust company within this state.

(b) Any trust agreement may pledge or assign the infrastructure revenue debt service fund. Any trust agreement or any resolution providing for the issuance of such bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders or noteholders as are reasonable and proper and not in violation of law, including the provisions contained in section seventeen [§ 31-15A-17] of this article, and covenants setting forth the duties of the water development authority in respect to the payment of the principal of and interest, charges and fees on loans made to, or bond purchases from, governmental agencies from the proceeds of the bonds, and the custody, safeguarding and application of all moneys. Any banking institution or trust company incorporated under the laws of this state which may act as depository of the proceeds of bonds or of the infrastructure debt service fund shall furnish such indemnifying bonds or pledge securities as are

required by the water development authority. The trust agreement may set forth the rights and remedies of the bondholders and noteholders and of the trustee and may restrict individual rights of action by bondholders and noteholders as customarily provided in trust agreements or trust indentures securing similar bonds and notes. The trust agreement may contain such other provisions as the water development authority deems reasonable and proper for the security of the bondholders or noteholders. All expenses incurred in carrying out the provisions of any such trust agreement may be treated as part of the cost of the construction, renovation, repair, improvement or acquisition of a project or infrastructure project. (1998, c. 180.)

§ 31-15A-19. Legal remedies of infrastructure revenue bondholders or noteholders and trustees.

Any holder of infrastructure revenue bonds issued pursuant to this article and the trustee under any trust agreement, except to the extent the rights given by this article may be restricted by the applicable resolution or trust agreement, may by civil action, mandamus or other proceedings protect and enforce any rights granted under the laws of this state or granted under this article, by the trust agreement or by the resolution in the issuance of the bonds, and may enforce and compel the performance of all duties required by this article, pursuant to the trust agreement or resolution, to be performed by the water development authority or any officer thereof. (1998, c. 180.)

§ 31-15A-20. Infrastructure revenue bonds lawful investments.

All infrastructure revenue bonds issued pursuant to this article shall be lawful investments for banking institutions, societies for savings, building and loan associations, savings and loan associations, deposit guarantee associations, trust companies, and insurance companies, including domestic for life and domestic not for life insurance companies. (1998, c. 180.)

§ 31-15A-21. Purchase and cancellation of infrastructure revenue bonds.

(a) The water development authority, subject to such agreements with noteholders or bondholders as may then exist, shall have the power, from any funds available therefor, to purchase or redeem infrastructure revenue bonds of the water development authority.

(b) If the infrastructure revenue bonds are then redeemable, the price of the purchase shall not exceed the redemption price then applicable, plus accrued interest to the next interest payment date thereon. If the infrastructure revenue bonds are not then redeemable, the price of the purchase shall not exceed the redemption price applicable on the first date after the purchase upon which the bonds become subject to redemption, plus accrued interest to such date. Upon purchase or redemption, the bonds shall be canceled. (1998, c. 180.)

§ 31-15A-22. Refunding revenue bonds.

Any infrastructure revenue bonds issued pursuant to the provisions of this article and at any time outstanding may at any time and from time to time be refunded by the water development authority by the issuance of its refunding revenue bonds in an amount it deems necessary to refund the principal of the bonds to be refunded, together with any unpaid interest thereon, to provide additional funds for the water development authority to accomplish the purpose of this article, and to pay any premiums and commissions necessary to be paid in connection therewith. Any refunding may be effected whether the infrastructure revenue bonds to be refunded shall have then matured or shall thereafter mature: Provided, That the holders of any infrastructure revenue bonds so to be refunded shall not be compelled without their consent to surrender their infrastructure revenue bonds for payment or exchange prior to the date on which they are payable or, if they are called for redemption, prior to the date on which they are by their terms subject to redemption. Any refunding revenue bonds issued pursuant to this article shall be payable from the West Virginia infrastructure revenue debt service fund, and shall be subject to the provisions contained in section seventeen [§ 31-15A-17] of this article, and shall be secured in accordance with the provisions of sections seventeen and eighteen [§ 31-15A-18] of this article. (1998, c. 180.)

§ 31-15A-23. Infrastructure revenue bonds not debt of state, county, municipality or any political subdivision.

Infrastructure revenue bonds issued pursuant to the provisions of this article shall not constitute a debt or a pledge of the faith and credit or taxing power of this state or of any county, municipality or any other political subdivision of this state. The holders or owners thereof shall have no right to have taxes levied by the Legislature or the taxing authority of any county, municipality or any other political subdivision of this state for the payment of the principal thereof or interest thereon. The bonds shall be payable solely from the revenues and funds pledged for their payment as authorized by this article. All such bonds shall contain on the face thereof a statement to the effect that the bonds, as to both principal and interest, are not debts of the state or any county, municipality or political subdivision thereof, but are payable solely from revenues and funds pledged for their payment. (1998, c. 180.)

§ 31-15A-24. Infrastructure revenue bonds exempt from taxation.

The exercise of the powers granted to the water development authority by this article will be in all respects for the benefit of the people of the state, for the improvement of their health, safety, convenience and welfare and for the enhancement of their residential, agricultural, recreational, economic, commercial and industrial opportunities and is for a public purpose. As the

construction, acquisition, repair or renovation of projects or infrastructure projects will constitute the performance of essential governmental functions, the water development authority shall not be required to pay any taxes or assessments upon any project or upon any property acquired or used by the water development authority or upon the income therefrom. The infrastructure revenue bonds and all interest and income thereon shall be exempt from all taxation by this state, or any county, municipality, political subdivision or agency thereof, except estate taxes. (1998, c. 180.)

ARTICLE 15B.

INFRASTRUCTURE BONDS.

Sec.
31-15B-1. Definitions.
31-15B-2. Infrastructure general obligation bonds; amount; when may issue.
31-15B-3. Creation of debt service fund; disbursements to pay debt service on infrastructure general obligation bonds.
31-15B-4. Infrastructure general obligation debt service fund; sources used to pay bonds and interest; investment of remainder.
31-15B-5. Covenants of state.
31-15B-6. Sale by governor; minimum price.
31-15B-7. Prohibition on funds inuring to the benefit of or being distributable to directors or officers; transactions between the council and West Virginia water development authority and directors or officers having certain interests in such transactions.
31-15B-8. Infrastructure bonds lawful investments.
31-15B-9. Refunding bonds.
31-15B-10. Termination or dissolution.
31-15B-11. Treasurer to determine financial advisor.
31-15B-12. Governor to determine bond counsel.
31-15B-13. Approval and payment of all necessary expenses.

§ 31-15B-1. Definitions.

For purposes of this article and article fifteen-a [§§ 31-15A-1 et seq.] of this chapter:

(a) "Council" means the West Virginia infrastructure and jobs development council created in section three [§ 31-15A-3], article fifteen-a of this chapter;

(b) "Infrastructure amendment" means the amendment to the constitution of this state entitled "infrastructure amendment" as approved by referendum in the month of November, one thousand nine hundred ninety-four;

(c) "Infrastructure general obligation bond" means any bond or bonds issued by the state pursuant to section two [§ 31-15B-2] of this article;

(d) "Water development authority" means the West Virginia water development authority established under article one [§§ 22C-1-1 et seq.], chapter twenty-two-c of this code, or any successor to all or any substantial part of its powers and duties. (1995, c. 130.)

§ 31-15B-2. Infrastructure general obligation bonds; amount; when may issue.

Bonds of the state of West Virginia, under authority of the infrastructure improvement amendment of 1994, of the par value not to exceed in the

THE CODE OF THE CITY

OF

WESTON, WEST VIRGINIA

The Charter

and

The General Ordinances

PUBLISHED BY ORDER OF THE CITY COUNCIL

Michie City Publications Company

Charlottesville, Virginia

1972

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PREFACE

This volume constitutes the first revision and codification of the general ordinances of the City of Weston, West Virginia, the 1886 "Code" having been merely a compilation of ordinances. It contains the Charter and such of the ordinances of a general and permanent nature passed on or before December 6, 1971, as were found desirable for retention, except those expressly saved from repeal by the Adopting Ordinance.

The ordinances were codified, edited and indexed by the Editorial Staff of Michie City Publications Company under the supervision of Chas. W. Sublett and Stephen C. Willard.

The publishers wish to express their appreciation for the cooperation of all the city officials and employees during the preparation of this publication. Particular acknowledgment is due Mrs. Alice B. Vance, City Attorney, for her assistance during the progress of the work.

A feature to which the attention of the user is directed is the arrangement of the chapters in alphabetical order. Attention is also directed to the analysis preceding each chapter which, in many instances, will serve as an index within itself. The general index, carried at the end of the Code, has been carefully prepared and should serve as an accurate medium for locating the individual sections of law within the Code. In the footnotes appearing throughout the Code will be found references to the Charter and the applicable and related provisions of the state law. These notes also contain cross references to other and related provisions in the City Code. By reference to the historical citations, appearing at the end of each section, the user will be able to ascertain the ordinance from which the present section has been derived.

It is a recognized fact that if any Code is to accomplish its intended purpose it must be kept up to date by means of an adequate supplemental service. Accordingly, the publishers point out the advisability and necessity of keeping this Code current.

The new City Code is presented to the officials and citizens of the City of Weston, West Virginia, in the belief that it will merit their approval.

Michie City Publications Company
Charlottesville, Virginia

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PART I.

THE CHARTER.

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The Charter

Division 1. Legislative Charter.

(Passed Feb. 20, 1913, in effect from passage. Approved, Feb. 25, 1913.)

Editor's note.--This division sets out the Charter of the City of Weston as enacted by chapter 90 of the Acts of 1913, (which amended and reenacted, and consolidated into one act, the Charter of 1909, as amended by chapter 77 of the Acts of 1911), as subsequently amended by 1925, Mun. Char., c. 30, and 1929, Mun. Char., c. 12. Those sections having no historical citation are as contained in 1913, c. 90.

The section catchlines have been changed in many instances to more fully indicate the subject matter of their respective sections, and are not official. A uniform system of capitalization has been adopted and words in brackets have been added for the purpose of clarity.

The legislature, in its 1969 revision and consolidation of chapters 8 and 8A of the Code of West Virginia into a new chapter 8, recognized, in section 8-1-6, "that when the provisions of existing special legislative charters are compared with and are considered in the light of the provisions of this chapter, (i.e., the new chapter 8), there are five basic possibilities as to the relationship between such charter provisions and the provisions of this chapter, namely: (1) As to any particular charter provisions, such charter provisions may be inconsistent or in conflict with the pertinent provisions of this chapter; (2) although relating to the same subject matter and although not inconsistent or in conflict with any provisions of this chapter, certain charter provisions may be sufficiently different from pertinent provisions of this chapter as to indicate, as a matter of practical construction, that either the charter provisions or the provisions of this chapter, but not both, should be applicable; (3) although varying in certain respects, certain charter provisions may be similar to and in essential harmony with corresponding provisions of this chapter; (4) as to any particular charter provisions, there may be no counterpart of such provisions in this chapter; and (5) as to any provisions of this chapter, there may be no counterpart charter provisions."

Section 8-1-6, therefore, sets forth certain rules to be applied, in addition to the usual and ordinary rules of statutory construction, with respect to construction and applicability of legislative charters, and it is sug-

Sec. 3-a. Ward boundaries may be changed and new wards added.

By order of the council, duly entered on its journal and its books of ordinances, the boundaries of said four wards, or any of them, may from time to time be changed and enlarged, or new wards may be created when by reason of the acquisitions of new territory by the city such changes, enlargements or new wards may be necessary.

Sec. 4. Municipal authorities.

The municipal authorities of said city shall consist of a mayor and one councilman from each ward, who together shall form a common council, and who shall receive such compensation as the council shall from time to time determine,[2] and which shall not be increased or diminished during their term of office.

Sec. 5. Council shall exercise corporate powers.

All the corporate powers of said corporation shall be exercised by said council, or under its authority, except when otherwise provided.

Sec. 6. Qualifications of mayor, councilmen, city attorney, chief of police, city clerk and street commissioner.

The mayor and councilmen, city attorney, chief of police, city clerk and street commissioner, at the time of their election or appointment, shall be freeholders in said city, and be entitled to vote for the members of the common council of said city, as residents and legal voters therein.

Sec. 7. Term of certain elective officers; nonelective officers shall be appointed by the common council.

The city attorney, chief of police, city clerk (who shall be the assessor) and street commissioner shall be elected to hold their respective offices for a term of two years from the first Monday in April,[3] or until their successors shall have elected and qualified, and all other officers shall be appointed by the common council.

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2. As to five hundred dollars annual salary of mayor, see Char., § 20.
3. Editor's note.--The term of all elective officers now begins on July 1 following their election, pursuant to Char., § 47. For a case holding that the highest number of votes actually cast for a person for election to the office of Weston city attorney was a sufficient number to elect him, see Brannon v. Perkins, 127 W. Va. 103, 31 S.E.2d 898 (1944).

conviction of treason, felony or bribery in an election, or who has not resided in this state for one year, and in the City of Weston for six months prior to the election, and who is not a bona fide resident of the ward in which he offers to vote for the candidates for councilmen shall be entitled to vote at any election.

Sec. 12. Manner of voting; applicability of state election laws.[8]

In all municipal elections the mode of voting shall be by ballot, but the voter shall be left free to vote by open or sealed or secret ballot, as he may elect. All elections in said city shall be held and conducted, and the results thereof certified, returned and finally determined as nearly as practicable in accordance with the laws in force in this state relating to general elections by the people at the time such election is held; but no registration of voters shall be made unless ordered by the council of said city. The corporate authorities of said city shall perform the duties in relation to such election required by general laws of county courts and county officers.

Sec. 13. How tie vote decided.

When two or more persons shall receive an equal number of votes for councilman or other city officer, such tie shall be decided by the council in being.

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8. See also Char., § 44, as to duty of council to appoint election officers and provide for proper holding of elections.
For a case holding that the validity and effect of votes cast for a candidate at a general city election are measured, in accordance with this section, by the Constitution and pertinent statutes of the state relating to general elections, see Brannon v. Perkey, 127 W. Va. 103, 31 S.E.2d 898 (1944).
For a case holding that a legal voter may cast a ballot for any qualified and eligible person by writing the name of such persons on the official ballot at such place and in a manner that the intention of the voter is indicated as to the person and office for which the vote is cast, see Brannon v. Perkey, supra.
For a case holding that the statute [W. Va. Code, 1931, § 3-5-35, which, as amended, is now W. Va. Code, § 3-6-11] requiring a person to be elected to a state office by the highest number of votes cast is a sufficient basis for a rule applicable to the elective officer of the City of Weston, and that the highest number of votes actually cast for a person for election to the office of city attorney of Weston was a sufficient number to elect him, see Brannon v. Perkey, supra.
The system of permanent registration of voters, as required by W. Va. Code, § 8-5-13, is now applicable to elections held in this city.

within the city, and he and his sureties shall be liable for all fines, penalties and forfeitures that a constable of a district is legally liable to, for any failure or dereliction in his said office, to be recovered in the same manner and in the same courts that the same fines, penalties and failures are now recoverable against such district constable. It shall be the duty of the collector of taxes to collect all city taxes, licenses, levies, assessments, and such other claims as are placed in his hands for collection by the council, and he may distrain and sell for such taxes and assessments, and he shall have in all other respects the same power as a sheriff of a county to enforce the payment and collection thereof. All officers appointed by the council must be residents of the said city at the time of their appointment, and a removal from said city shall vacate their said offices.

Sec. 17. Bond and oath of officers.[2]

All officers elected and appointed under this act shall each, before entering upon the duties of his office, and within ten days from the time of his election or appointment, give bond required from any officer, take and subscribe an oath to faithfully and impartially discharge the duties of his office, and the oath to support the Constitution of the United States, and the Constitution of the State of West Virginia. The mayor having taken such an oath may administer the same to the councilmen and other officers. Certificates of said oath shall be recorded in the journal kept by the council.

Sec. 18. Ineligibility or failure to qualify.[3]

If anyone who shall have been duly elected mayor, councilman or to any other office herein provided for, shall not have been eligible as herein prescribed, or shall refuse or fail to take the oath and give the bond required under this act, within the time prescribed, the council for the time being shall declare his office vacant and proceed to fill said vacancy by appointment as herein provided.

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2. See also Char., § 39, as to bond of city collector.
   For a case holding that the provisions of this section and section 18 of the Charter are mandatory, and that the failure of a person elected to office in the City of Weston to take the required oath and to give any such bond as may also be required, within the prescribed time, creates a vacancy in such office, to be filled by the council, see Brannon v. Perkey, 127 W. Va. 103, 31 S.E.2d 898 (1944).
3. For a case construing this section, see Brannon v. Perkey, 127 W. Va. 103, 31 S.E.2d 898 (1944).

The mayor may from time to time recommend to the council such measures as he may deem needful for the welfare of the city. The expense of maintaining any person committed to jail of the county, or to any place of imprisonment in said city by him, except it be to answer an indictment, or be under provisions of sections two hundred and twenty-seven and two hundred and twenty-eight of chapter fifty of this Code of this state [W. Va. Code, 1906, §§ 2178, 2179],[6] shall be paid by said city. Said mayor shall pay all moneys received by him for fines or by virtue of his office belonging to said city to the treasurer of the city within one week after he receives the same. He shall receive a compensation for his services, to be fixed by the council, which shall not exceed five hundred dollars per annum, exclusive of fees,[7] and which shall not be increased or diminished during his continuance in office.

Sec. 21. Powers and duties of city clerk generally.[8]

The city clerk shall keep a journal of the proceedings of the council, and have charge of and preserve the records of the city, in the city building, safe or vault, if there be one. In absence from the city, or in case of the sickness or disability of the mayor, or during any vacancy in the office of mayor, the city clerk shall perform the duties of the mayor which pertain to him as the chief executive of said city, and be vested with all powers necessary for the performance of such duties, except that he shall not vote in council, or become an ex officio presiding officer thereof. He shall be conservator of the peace within the city.

Sec. 21-a. When council to designate a councilman to act as mayor.

The council of said city shall, by order, designate and appoint a councilman who shall act as mayor in the absence from the city of both mayor and city clerk, or from any meeting of the said council of the mayor, or in the event of the disability of both. And the councilman so designated shall, while he continues as a councilman, from time to time as they arise, act as the mayor of the said city in any of the contingencies in this section above mentioned, until some other councilman shall be designated, as aforesaid, and while so acting, he shall be vested with all the powers, authority, and functions of mayor and shall perform all the duties of that office, including the duty of presiding over council.

Sec. 22. Quorum of council.

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

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6. Editor's note.--The sections of the 1906 Code here cited are now obsolete; they related to costs, tailer's fees, etc., in proceedings before justices of the peace in behalf of the state.
7. For another charter provision providing that mayor's salary be determined by council from time to time, see Char., § 4.
8. See also Char., § 37, as to duties of city clerk in his capacity as assessor.

Sec. 27. City money to be paid to city treasurer;[9] how expenditures to be made.

All moneys belonging to the city shall be paid over to the city treasurer; and no money shall be paid out by him except as the same shall have been appropriated by the council, and upon an order signed by the mayor and city clerk, and not otherwise.

Sec. 28. Regulation of wards and expenditures for streets therein; special taxes for specific purposes.

The council shall adopt all needful and just ward regulations, whether general or special, for the good of the citizens thereof; and shall also authorize street expenditures in the several wards as equity and justice demand, and may authorize the collection of a special tax for a specific purpose.

Sec. 29. Funds must be on hand for appropriations and to incur debt; contracts involving future levy require approval at referendum.

No money shall be appropriated, and no debt shall be contracted, for any purpose whatever, except that the funds to meet the same shall have been first provided by levy duly laid, in accordance with the provisions of this act; and no contract shall be entered into involving or anticipating future levies, unless all questions connected with the same shall have been first submitted to a vote of the people and have received three-fifths of all the votes cast for and against the same.

Sec. 30. Powers of council in general.[1]

The council of said city shall have the power to lay off, vacate, close, open, alter, grade and keep in good repair the roads, streets, alleys, pavements, sidewalks, drains and gutters therein for the use of the citizens and the public, and to improve and light the same, and to keep them free from obstructions of every kind; to regulate the width of the pavement, sidewalks, foot-ways, drains and gutters to be kept in good order, free and clean, by the owners or occupants of the real property next adjacent thereto; to establish and regulate markets, prescribe the time of holding the same, provide suitable and convenient buildings therefor, and to prevent the forestalling of such markets; to prevent injury or annoyance to the public or to individuals from anything dangerous, offensive, or unwholesome; to prohibit or regulate slaughter houses; tan houses and factories within the corporate limits, and to prohibit the exercise of any offensive business, trade or employment; to abate all nuisances within the corporate limits, and to require or compel the abatement or removal thereof at the expense of the person causing the same, or by or at the expense of the owner of

9. See also Char., § 16, as to "tax collector" and "collector of taxes," and Char., § 39, as to "city collector."
1. For state law confirming general powers on common council, see W. Va. Code, § 8-12-5. See also W. Va. Code, § 8-12-2.

Sec. 31. Powers of council as to ordinances; general penalty; enforcement of fines and penalties; extraterritorial jurisdiction for police and criminal purposes; authority to order referendum concerning bond issues for public improvements, etc.; authority to require city license and to impose license tax.[2]

The said council shall have authority to pass all ordinances (not repugnant to the Constitution of the United States or to the Constitution and laws of the State of West Virginia, or to this act), which shall be necessary or proper to carry into full effect and force the authority and jurisdiction which is or shall be granted to or vested in said city, or in the council thereof, or in any officer or body of officers of said city, and to enforce any and all ordinances by reasonable fines and penalties, and by imprisonment; and upon failure to pay any fine or penalty imposed, by compelling defaulting party to labor without compensation at any of the public works or improvements, undertaken or to be undertaken by said city, or to labor at any work which said city may lawfully employ labor upon, at such rate per diem as the council may fix (but not at a less rate than is fixed by said council for like labor for other employes of said city), until any fine or fines imposed upon any such offender or offenders by said city, shall have been fully paid and discharged, after deducting charges of support while in custody of the officers of said city; provided, however, that no fines shall be imposed exceeding one hundred dollars, and that no person shall be imprisoned or compelled to labor as aforesaid more than thirty days for any offense. The jurisdiction of said city for police and criminal purposes shall extend one mile beyond the corporate limits of said city in all directions.

In addition to the powers already enumerated, the said city council shall have power to order elections for bonding the city as provided by chapter forty-seven-a of the Code of West Virginia of one thousand nine hundred and six,[3] purchase, build, construct and maintain plants and erect buildings, or other necessary structures, with equipments for furnishing the city or its inhabitants for public or private consumption, at a reasonable cost to the latter, with gas or other material, for both fuel and illuminating purposes, and electric or other lights for the lighting of its streets and alleys, and public and private buildings; to construct, improve, extend and expand water works for said city, and to contract for and to construct and own an adequate supply of pure, healthful water for said city, and its inhabitants, for public and private comsumption, and do all things necessary to secure to said city and its inhabitants an adequate supply of pure and wholesome water, and to provide, contract for and construct an adequate sewerage system for said city.

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2. See also Char., §§ 32, 40, 41 for additional provisions relating to licenses.
3. Editor's note.--The subject matter of chapter 47A of the 1906 Code is now covered by W. Va. Code, c. 13.

First. No ordinance granting any franchise for the using 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 in the council and notice of the object, nature and extent of such franchise shall have been published at least thirty days by the applicant in some newspaper published in the City of Weston, before being acted upon, and shall have received the votes of a majority of the members of the council at a regular meeting or meetings and after said publication. The votes thereon shall be taken by ayes and noes, and the same entered upon the journal. No such ordinance shall take effect until the expiration of twenty days after its passage; and if within the said twenty days a petition be filed with the city clerk signed by one-fifth of the qualified voters of the city, based upon the number of votes cast at the last city election, requesting it, the council shall submit such ordinance to the qualified voters of the city for ratification or rejection, at a special election to be held for that purpose within forty-five days after such petition is presented, and the votes for ratification and for rejection cast at such election shall be entered upon the journal. If a majority of the votes cast at such election shall be in favor of ratification, then such ordinance shall take effect from the time the vote is so entered upon the journal.

Second. Every grant of any such franchise shall be for a limited period of time. If no limit be expressly provided in the grant, the franchise shall be valid for one year only. In no case shall the franchise extend for a period exceeding thirty years, except that in case of a street railway franchise such period may be not exceeding fifty years; but if such franchise period is to exceed thirty years, the council must, and without such petition, submit such ordinance for ratification or rejection to such vote as is required by the first clause of this section.

Third. 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 works. 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.

Fourth. No grant of any franchise shall be made without, at the time of making it, providing that the city shall receive in consideration thereof a compensation, to be paid annually during the whole period; provided, however, that the principal of competition shall be employed by the council where it is offered so that the franchise, with prescribed terms and conditions as to its extent, and as to the rates to be charged to the public by it for its services, will be given to the person or corporation bidding or agreeing to pay therefor to the city the highest compensation, or so that the franchise, with prescribed conditions as to its extent, and the compensation that must be paid therefor, will be given to the person or corporation that will agree to render services to the public at the lowest rates.

Fifth. 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

limits are as follows: Beginning at (here recite the boundary as changed). It is therefore ordered that said increase in said corporate limits be, and the same is hereby approved and confirmed, and the clerk of the court is directed to deliver to the said council a certified copy of this order as soon as practicable after the rising of this court," and, from and after the date of such order, the corporate limits of said city shall be as set forth therein.

Sec. 35. Mayor's court docket.[5]

A book, well bound and indexed, to be denominated the "docket", shall be kept in the office of the mayor, in which shall be noted each case brought before or tried by him, together with the proceedings therein, including a statement of the complaint, the summons, the return, the fact of appearance or non-appearance, the defense, the hearing, the judgment, the costs, in case the judgment be one of conviction, the action taken to enforce the same. The record of each case shall be signed by the mayor, and the original papers thereof, if no appeal be taken, shall be kept together and preserved in his office; and the mayor shall deliver to his successor the docket and all books and papers pertaining to his office.

Sec. 36. Board of health.

The council shall have the power to appoint and constitute a board of health consisting of one reputable physician, and two of its own members, which said board of health under the supervision and with the approval of said council, shall have full power to make all needful rules and regulations for the keeping and maintaining of the said city in proper and healthful condition; and when such board of health shall have been elected and organized, it shall have exclusive control of all matters relating to the public health within the limits of the city.

Sec. 36-a. Duty of council as to what may become lawfully chargeable against city; levies; annual publication of revenues and expenditures.

The council shall cause to be made annually and spread upon its minute book an accurate estimate of all sums which are or may become lawfully chargeable against the city and which ought to be paid within one year; and it shall order a levy of so much as will in its judgment be necessary to pay the same. Such levy shall be upon all tithables and upon all real and personal property therein subject to the state and county taxes, including a poll tax of not more than one dollar upon each male resident of said corporation over twenty-one years of age;[6] provided, that such levy shall not exceed one dollar on each tithable and fifty cents on every one hundred dollars of the ascertained value of such property. At least once in each year the council shall cause to be made up and published in one or more newspapers of the city a statement of the revenue received from the different sources, and of the expenditures upon the different

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5. See also Char., § 20, as to mayor's court.
6. Editor's note.--Poll taxes have since been abolished throughout the state.

There shall also be a lien on all real estate within said city for all other assessment, fines and penalties assessed to or imposed upon the owners thereof by the authorities of said city from the time the same are so assessed or imposed, which lien shall be priority over all other liens except the lien for taxes, and such lien may be enforced by the council by suit in equity in the corporate name of said city, or in the same manner now prescribed by law for the enforcement of the lien for state or county taxes, or in such other manner as the council may by ordinance prescribe. If any real estate within said city be returned delinquent for the non-payment of the city taxes thereon, a copy of such delinquent list may be certified by the council to the auditor, and the same may be sold for the taxes, interest and commissions thereon in the same manner, at the same time and by the same officer as real estate is sold for the non-payment of state taxes. (1925, Mun. Char., c. 30.)

Sec. 39. Powers, duties, compensation and bond of city collector.[9]

It shall be the duty of the city collector to receive one copy of the assessor's book, receipting to the council for the same, and for the taxes therein extended, and it shall be his duty to collect from the parties the entire amount of the taxes with which they are severally charged from and after the first day of June in each year, until the first day of August, of each year, and he shall in said book write the word "paid" opposite the name of the person so paying, and shall also receipt to said taxpayer for the taxes so paid.

He shall also receive such other moneys of the city as he is authorized by this chapter [Charter] to receive, and all moneys ordered paid to him by the council, giving receipts to the parties paying, and shall keep an accurate account of the same; and his books shall at all times be open for inspection to any taxpayer or attorney of the city, and he shall produce said books to said council for inspection at any meeting thereof upon the order of said council.

He shall pay out the money in his hands upon the order of the council, signed by the mayor and clerk.

He shall, on or before the first Monday in April of each year, furnish to the council a full, complete and detailed statement of all moneys for which he is chargeable, or may have been received by him, up to the first day of April of that year, and shall, at any time in like manner, furnish a statement of all disbursements made

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9. Editor's note.--Property taxes are now payable in two installments for each tax year, the first prior to October 1 and the second prior to April 1; collection is made by county sheriff, who pays over to city treasury. See W. Va. Code, §§ 11A-1-3, 11A-1-4, 11A-1-15.
See also Char., § 16, as to "tax collector" and "collector of taxes," and see Char., § 27 as to "city treasurer."

Sec. 42. Expiration of licenses.[4]

Licenses for the keeping of dogs shall expire on the thirtieth day of April next after they are granted,[5] and all other licenses may be for such time as the council may determine.

Sec. 43. Council may institute proceedings for condemnation.

The council shall have the right to institute proceedings in the name of the city for the condemnation of real estate for streets, alleys, drains, markets, market grounds, city buildings or other work or purpose of public utility. Such proceedings shall conform to the provisions of chapter forty-two of the Code of West Virginia of one thousand nine hundred and six,[6] and the expenses thereof shall be borne by the city.

Sec. 44. Council to appoint election officers and provide for proper holding of elections.[7]

The regularly elected council of said city in being at the time, shall in advance of every election by this act provided to be held, appoint election officers to conduct the same, and otherwise provide for a proper holding thereof.

Sec. 45. City succeeds to rights and powers of predecessors.

The said city shall succeed to all rights, powers and responsibilities heretofore conferred upon "the City of Weston", and its predecessor, the "Town of Weston" and all regularly elected officers of said city acting as such at the time this act takes effect, shall continue until the first Monday in April, one thousand nine hundred and thirteen, and until their successors, the officers herein mentioned, are elected or appointed and qualified to exercise the powers, perform the duties, and receive the compensation heretofore conferred, prescribed and allowed by general law or by ordinance of said city. Such ordinances not inconsistent with this act as are in force at the time hereinbefore referred to shall continue to have full operation and effect as ordinances of the City of Weston until amended, repealed or suspended by the council of said city.

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4. See also Char., §§ 31, 32, 41 for additional provisions relating to licenses.
5. Editor's note.--Dog licenses now are for the fiscal year, July 1 through June 30 next following. See Code of W. Va., § 19-20-2.
6. Editor's note.--The subject of eminent domain is now covered in W. Va. Code, c. 54.
7. See also Char., § 12, as to manner of voting and applicability of state election laws.

ment to the charter" of the city.

The legislature in 1969 revised and consolidated chapters 8 and 8A of the Code of West Virginia into a new chapter 8, entitled the "Municipal Code of West Virginia," and it is suggested that readers hereof see W. Va. Code, § 8-1-6 as to the present applicability of this division.

The section set out in this division is given the number "47," which follows the last number of the legislative Charter. The section catchline has been added and is unofficial; words in brackets have been supplied for the purpose of clarity; and slight revision has been made in phraseology without change of substance.

Sec. 47. Date for holding regular elections for elective officers; primary election of officers abolished; term of elective officers and when term begins.[8]

(a) Commencing with the general elections to be held for the City of Weston in the year 1981, all regular elections for officers shall be held biennially on the first Tuesday in June, in accordance with the provisions of section 8-5-5 of the Code of West Virginia, as amended, and as subsequently amended.

(b) Commencing with the municipal elections to be held for the City of Weston in the year 1981, the primary election of officers shall be abolished.

(c) Beginning with the municipal elections to be held in the year 1981, the terms of all elected officers of the City of Weston shall commence on the first day of July following their election in June, and shall be for two years, in accordance with section 8-5-9 of the Code of West Virginia, as amended, and as subsequently amended. (3-24-41, §§ 1 to 3; 12-11-80.)

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8. Editor's note.--For preamble to the ordinance of March 24, 1941, an amendment to which is codified in this section, setting out the reasons for adoption, see council journal 6, page 632.

This section supersedes several provisions of Char., §§ 7 to 9, 19.

The ordinance of March 24, 1941, an amendment to which is codified in this section, is the subject of brief discussion in a case in which the supreme court of appeals declined to take judicial notice thereof in a mandamus proceeding which originated in the circuit court of Lewis County. See Brannon v. Perkey, 127 W. Va. 103, 31 S.E.2d 898 (1944).

CHAPTER 23.

SEWERS AND SEWAGE.

Article I. In General.

§ 23-1. Definitions.
§ 23-2. Territorial applicability of chapter; availability of sanitary sewers.
§ 23-3. Certain properties required to be connected to sanitary sewage system; penalty for failure to comply with notice to make connection.
§ 23-4. Privies, septic tanks, etc.
§ 23-5. Storm water not to be discharged into sanitary sewers.
§ 23-6. Garbage.
§ 23-7. Offal, carcasses and other obstructions prohibited; damaging, etc., prohibited.
§ 23-8. Prohibited wastes.

Article II. Connections, Fixtures and Maintenance.

§ 23-9. "Administrating authority" defined.
§ 23-10. Permit required; conditions of permit.
§ 23-11. Application for permit and tender of tap fee.
§ 23-12. Connections to be made only by persons complying with certain requirements and limitations.
§ 23-13. Materials, specifications and procedures; supervision; inspections.
§ 23-14. Duty of owners and occupants of premises connected to sewers; requirements as to fixtures and sewer traps; maintenance.

Article III. Sanitary Board.

§ 23-15. Administration, operation, etc., of sewage system.
§ 23-16. Composition, and qualifications of members.
§ 23-17. Appointment and term of members; filling vacancies.
§ 23-18. Officers; compensation and expenses of members and officers; bond of treasurer.
§ 23-19. Bylaws.
§ 23-20. Powers and authority conferred by state law.
§ 23-21. Rules and regulations for management, etc., of public sewage system; penalties for violation.

Article IV. Rates, Charges, Billings and Related Subjects Applicable to Sanitary Sewers.

§ 23-22. Billings by sanitary board or its agent.
§ 23-23. Schedule of rates and charges established; rates and charges to be paid by property owners connected to or using system.
§ 23-24. Basis of rates and charges; schedule of monthly metered charges.
§ 23-25. Minimum monthly charge; delayed payment penalty; unmetered users.

Sec. 23-1. Definitions.[2]

For the purposes of this chapter, the following words and phrases shall have the meanings respectively ascribed to them by this section:

Combined sewer. A sewer designed to receive both sewage and storm runoff.

Commercial user. A user of the city sewage system in a location where a trade, business, profession or occupation is carried on or where a service is rendered.

Domestic user. Each family unit which uses the sewage system of the city. Such family unit may consist of one or more persons, and where there are more than one family units using water from the same water meter or under the same roof, each family unit shall be considered a separate domestic user.

Garbage. Solid wastes from the preparation, cooking and dispensing of food and from the handling, storage and sale of produce.

Industrial user. A user of the city sewage system, such as factories and like organizations, where more than twenty-five persons are employed.

Occupied building. Any structure erected and intended for continuous or periodic habitation, occupancy or use by human beings or animals, and from which structure sanitary sewage and industrial wastes, or either thereof, is or may be discharged.

Premises accessible to the sanitary sewage system. Any real estate which adjoins, abuts or is adjacent to the public sanitary sewage system, or any real estate which might be connected to that system by construction of a private sewer of not more than one hundred feet in length.

Properly shredded garbage. The wastes from the preparation, cooking and dispensing of food that has been shredded to such degree that all particles will be carried freely under the flow conditions normally prevailing in public sewers, where no particle is greater than one-half inch in any dimension.

Public sanitary sewage system. All separate sanitary sewers, all combined sewers, all sewage pumping stations, all sewage treatment works, and all other facilities provided and owned by the city for the collection, transportation and treatment of sanitary sewage and industrial wastes with their appurtenances, and any additions, extensions or improvements thereto that may be made by the city. It shall also include sewers within or outside the city limits which serve one or

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2. As to definitions and rules of construction applicable throughout this Code, see § 1-2 of this Code.

and premises are not already connected, shall, at their own expense, connect such buildings and premises to the public sanitary sewage system forthwith;[4] and any person who owns any occupied building now existing within the city upon premises accessible to the public sanitary sewage system who fails, neglects or refuses to so make connection with the sanitary sewage system after fifteen days written notice so to do shall be guilty of a continuing violation of this subsection and shall, upon conviction, be punished by fine or imprisonment, or both, the fine shall not be less than five dollars, and the imprisonment in the city or county jail shall not exceed thirty days, and each day that any person shall continue the violation of this subsection shall constitute a separate offense.

(b) All persons owning any premises within the city accessible to the public sanitary sewage system upon which a building is hereafter erected, at the time of erection of such building, and at their own expense, shall connect such building and premises to the public sanitary sewage system.

(c) All persons owning any occupied building within the city upon premises which hereafter become accessible to the public sanitary sewage system shall, at their own expense, connect such building and premises to the public sanitary sewage system within three months after notice to do so from the sanitary board or its authorized representative; and each day of failure to comply with such notice and connect with such sewer by such owner or owners, after ten days after such notice is given, shall be an offense and a separate and new offense under this subsection, and each such offense shall be punishable by a fine of not less than five nor more than twenty-five dollars. (8-7-02, § 1; 5-10-54, §§ 1 to 3; 4-10-57, div. 2, §§ 1 to 3; 9-3-63.)

Sec. 23-4. Privies, septic tanks, etc.

(a) It shall be unlawful for any person owning, occupying or using any building within the city on premises accessible to the public sanitary sewage system to erect, construct, use or maintain, or cause to be erected, constructed, used or maintained any septic tank or other receptacle on such premises for receiving sanitary sewage.

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4. Editor's note.--A prior ordinance from which this subsection derives took effect April 10, 1957, and all buildings then existing on accessible premises were required to be connected to the public sanitary sewage system within three months; and buildings erected thereafter on then accessible premises, as well as premises which thereafter became accessible, were required to be connected to the public sanitary sewage system within three months of erection of the building or the accessibility of the property. Therefore, buildings now standing on premises now accessible to the public sanitary sewage system, if not already connected thereto, stand in violation of this section, and the requirement that connections be made "forthwith" recognizes that fact.

(c) Wastes having any corrosive property capable of causing damage or hazards to structures, equipment, or personnel of the public sewer system.

(d) Any noxious or malodorous gas or substance which either singly or by interaction with sewage or other wastes is, in the opinion of the sanitary board, likely to create a public nuisance or hazard to life, or prevent entry to sewers for their maintenance and repair.

(e) Solids, greases, lime slurry or viscous materials of such character or in such quantity that, in the opinion of the sanitary board, they may cause an obstruction to the flow in sewer or otherwise interfere with the proper operation of the public sewer system.

(f) Any toxic radioactive isotopes without a special permit. No provision contained in this section shall be construed as prohibiting any special agreement or arrangement to be entered into between the sanitary board and any person whereby any industrial waste of unusual strength or character may be admitted to the public sewer system either before or after pretreatment by the producer of said industrial waste. (4-10-57, div. 4, § 2.)

Article II. Connections, Fixtures and Maintenance.

Sec. 23-9. "Administrating authority" defined.

For the purposes of this article, the term "administrative authority" shall mean:

(a) The sanitary board, when used with reference to any sanitary sewer or other subject which is within the authority of the sanitary board.

(b) The common council, when used with reference to any sewer or other subject which is not within the authority of the sanitary board.

Sec. 23-10. Permit required; conditions of permit.[6]

No connection shall be made with any public sewer or drain without the written permission of the administrative authority, or in any different manner from the mode herein prescribed for such opening or connection, and such permit shall be granted only on the express condition that the owner or tenant for whose benefit such connection is made, and each succeeding owner and tenant, shall, in consideration of the privilege thereby granted and enjoyed, hold the city harmless from any loss or damage that may in any way result or be occasioned by such tap or connection. (8-7-02, § 2.)

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6. As to sewer connections being prohibited and connection permits not to issue for mobile homes which are violations of chapter 15, see § 15-8 of this Code.

Sec. 23-14. Duty of owners and occupants of premises connected to sewers; requirements as to fixtures and sewer traps; maintenance.

It shall be unlawful for any person owning or occupying any premises into which a pipe or other connection with the public sewers has been laid for any purpose to allow the same to remain without good and perfect fixtures so attached as to allow a sufficiency of water to be so applied as to properly carry off all matter and liquid therein and to keep the same unobstructed; and it shall be the duty of each owner and occupant of such premises to provide and keep in good repair such pipe or other connections with the public sewer a proper and suitable trap so as to prevent the escape of sewer gas or other noxious vapors or matter into such premises or into the atmosphere. Each day the same are permitted to remain without such fixtures and trap for supplying water and preventing escape of such gasses, vapors or other matter shall be deemed a distinct and separate offense. (8-7-02, § 6.)

Article III. Sanitary Board.[7]

Sec. 23-15. Administration, operation, etc., of sewage system.

The custody, administration, operation and maintenance of a sewage collection system for the city shall be under the supervision and control of a sanitary board. (7-11-47, § 1.)

Sec. 23-16. Composition, and qualifications of members.

The sanitary board shall be composed of the mayor and two persons appointed by the common council, one of whom, during the construction period of the sewage collection system must be a registered professional engineer. The engineer member need not be a resident of the city, and after the construction of the plant has been completed he may be succeeded by a person not an engineer.

No officer or employee of the city, whether holding a paid or unpaid office or position, shall be eligible to appointment on the sanitary board until at least one year after the expiration of the term of his public office or employment, and no

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7. Editor's note.--Section 2 of the sewer system revenue bond ordinance adopted December 7, 1970, which is on file in the office of the city clerk, provides: "That all proceedings heretofore taken relating to the creation and organization of the Sanitary Board of the City and to the construction of the extensions and improvements to the Municipal Sewage System, be and the same are hereby in all respects ratified and confirmed."
For state law relating to municipal sanitary boards, see W. Va. Code, §§ 16-13-2, 16-13-3, 16-13-18, 16-13-18a.

Sec. 23-19. Bylaws.

The sanitary board shall have power to establish bylaws, rules and regulations for its own government. (7-11-47, § 9.)

Sec. 23-20. Powers and authority conferred by state law.

The sanitary board shall have all such powers and authority of municipal sanitary boards as set forth in chapter 16, article 13, of the Code of West Virginia. (7-11-47, § 7.)

Sec. 23-21. Rules and regulations for management, etc., of public sewage system; penalties for violation.

In addition to the specific authority granted by this article, the sanitary board shall make and enforce such other rules and regulations, subject to the approval of the common council, for the safe, economical and efficient management, control and protection of the city's public sewage system, for the construction and use of house sewers and connections to the sewage system, for the construction and use of all other connections thereto, and for the regulation, collection, rebating and refunding of such sewage service charges as may be needful or necessary from time to time provided, that such rules and regulations shall not become effective until they have been approved by the common council by ordinance or resolution and spread upon the records of the council, as notice to the public of the provisions of such rules and regulations.

It shall be unlawful for any person to violate any of the rules or regulations made and promulgated by the sanitary board as aforesaid; any person, on conviction of any such violations, shall be fined or imprisoned, or both; the fine shall not be less than five dollars or more than one hundred dollars and the imprisonment in the city or county jail shall not exceed thirty days, and each day that any person shall continue the violation of any of the rules and regulatons made and promulgated by the sanitary board shall constitute a separate offense. (4-10-57, div. 7.)

Article IV. Rates, Charges, Billings and Related Subjects Applicable to Sanitary Sewers.[9]

Sec. 23-22. Billings by sanitary board or its agent.

The sewage service rates, charges and fees levied by or pursuant to

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9. For state law as to authority and duty of common council to establish and maintain just and equitable rates or charges for use of and service rendered by municipal sewage works, etc., see W. Va. Code, § 16-13-16.

(b) Such schedule is net. On all accounts not paid in full within twenty days of the date of the bill, ten percent will be added to the net amount shown.

(c) In locations where the customer has no water meter, charges for sewer service shall be the minimum monthly charge of eight dollars and thirty cents per connection to the sewer facilities. In the event that a building or premises discharging sewage, water or other liquid waste into the municipal sanitary sewer system uses water supplied on other than a metered basis, the owner or occupant may be required to cause a water meter or other measuring device to be installed. (12-7-70, § 1; 2-8-84, § 1.)

Sec. 23-26. Multiple occupancy.

Where multiple service is rendered through one water meter, the monthly sewer bill shall be not less than the minimum charge provided for in section 23-25, multiplied by the number of families, apartments, residences, stores, offices, mobile homes (house trailers) or other units receiving water service from such meter. (12-7-70, § 1; 2-8-84, § 1.)

Sec. 23-27. Connection charge.

The sewer connection (tap) charge shall be one hundred fifty dollars. (12-7-70, § 1; 2-8-84, § 1.)

Sec. 23-28. Special rates and charges.

(a) Generally. In the event that the sewage, water or other liquid waste being discharged into the sanitary sewers from any building or premises is determined by the city to contain unduly high concentrations of any substances which add to the operating costs of the sewage system of the city, the city may establish special rates and charges as to such class of buildings or premises, or the city may require the owners or other interested parties to specially treat such sewage, water or other liquid waste before it is discharged into the municipal sanitary sewer system.

(b) Weston State Hospital. The Weston State Hospital of the state department of mental health shall be furnished sanitary sewer service at the rate of forty-six thousand eight hundred dollars per annum, payable at the rate of three thousand nine hundred dollars per month.

(c) West Virginia Water Company. The West Virginia Water Company shall be furnished sanitary sewer service at the rate of nine thousand, seven hundred eighty dollars per annum, payable at the rate of eight hundred fifty dollars per month. (12-7-70, § 1; 2-8-84, § 1.)

Sec. 23-31. When rates and charges effective.

In accordance with the provisions of section 24-2-4b of the Code of West Virginia, the rates and charges imposed by this article shall not be effective sooner than forty-five days after adoption. (12-7-70, § 3; 2-8-84, § 7.)

Sec. 23-32. Revision of rates and charges.

The schedule of rates and charges established by this article for sewer services and the basis for computing or imposing the same shall be revised from time to time as may be required and provided by law or by the respective ordinances authorizing the issuance of the sewer revenue bonds and sanitary sewer revenue bonds hereinbefore referred to. (12-7-70, § 3; 2-8-84, § 3.)

AN ORDINANCE PROPOSING AMENDMENT TO THE CHARTER OF THE CITY OF WESTON

WHEREAS, a Charter Committee, comprised of citizens of the City of Weston, West Virginia, has recommended to the Mayor and Common Council of the City of Weston that the Charter of the City be amended to better meet the needs of the City and its citizens; and

WHEREAS, the Charter hereinafter set forth constitutes and encompasses those recommendations; and

WHEREAS, the Common Council of the City of Weston, being the governing body of said city, now deems it expedient and appropriate to amend the City Charter as hereinafter set forth, pursuant to the provisions of Chapter 8, Article 4, Section 8 of the Code of West Virginia;

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE COMMON COUNCIL OF THE CITY OF WESTON, WEST VIRGINIA, as follows:

Subsection 1. It is proposed that the Charter of the City of Weston as its has heretofore existed be amended by striking all of the existing wording of said Charter after the words: "Sect. 1. The City of Weston established; general powers of city." and inserting in it place of the stricken wording the following, to-wit:

* * *

The inhabitants of so much of the County of Lewis as constitutes the City of Weston at the time of the adoption of this Charter amendment are hereby continued and shall remain a body politic and corporate by the name of "City of Weston," and they, their successors and those added to the City through processes provided by law, shall have perpetual succession and a common seal as said City, and shall succeed to all rights, powers, and responsibilities heretofore conferred upon the City of Weston, and shall have all powers accorded to cities by the laws of the State of West Virginia.

The general purposes of the City of Weston are to:

A. provide for public elections and evaluation of public activities;
B. provide for public works, including streets and sanitary services;
C. develop natural resources and the city economy;
D. provide for public education and public health services;
E. secure the public safety by providing police and fire protection services; and for
F. all other lawful purposes declared from time to time by the Common Council.

The Council shall review these necessary purposes every five years and shall revise them when necessary to benefit the citizens of the City of Weston.

Section 2: Corporate Limits

The corporate limits of the City of Weston shall be those in effect at the date of final adoption of this Charter amendment. They may be altered from time-to-time to add and include those inhabitants of Lewis County who have entered into the body politic and corporate by annexation, election or contract, in accord with the laws of West Virginia. A

complete survey of the City shall be completed within twelve months after adoption of this Charter amendment.

Section 3: Division of Wards

The territory of the city shall be divided into wards. The wards in existence at the date of the final adoption of this Charter amendment shall be continued and remain in place until such time as they may be reconstituted by the Common Council. The boundaries of said wards, or any of them, may from time-to-time be altered, or additional wards may be created, by ordinance of the Common Council, duly spread upon its books, when by reason of the acquisition of new territory by the city, or for other lawful and compelling reason, such changes may be appropriate.

Section 4: Municipal Authorities and Officers Generally

A. **Elected Offices:** The elected municipal authorities and officers of the City who hold office at the date of the final adoption of this Charter amendment shall continue in their respective offices, with their respective powers and duties, until the 30th day of June, 2003, or until their successors shall have been elected and qualified. Should a vacancy occur in any such office prior to the 30th day of June, 2003, the vacancy shall be filled under the provisions of Section 12 of this Charter. After the 30th day of June, 2003, the elected municipal authorities and officers of the City shall consist exclusively of a Mayor and one member of Council from each ward, who together shall form a common Council. The Mayor shall serve as chairperson of the Council.

The Mayor and members of Council, before entering upon the duties of office, and within ten days of his election or appointment, give bond for the faithful performance of his or her duties, and take and subscribe an oath to faithfully and impartially discharge the duties of the office, and to support the Constitutions of the United States and the State of West Virginia. The Mayor having taken such an oath may administer the same to the Council Members and other officers. Certificates of said oath shall be recorded in the journal kept by the Council.

B. **Municipal Terms and Elections:** Commencing on the 1st day of July, 2003, the term lengths of elected municipal offices shall be four years.

C. **Appointed Officers:** Commencing on July 1, 2003, the Common Council shall appoint City officers, which shall include a City Manager, City Clerk, City Finance Manager, City Attorney, and such others as may be deemed appropriate from time-to-time by the Common Council.

Section 5: Qualifications of Mayor and Council Members

The Mayor and City Council Members, at the time of their election or appointment, shall be residents of the City and entitled to vote for the members of the Common Council.

Section 6: Powers, Duties, and Compensation of Mayor

The Mayor shall be the chief executive and chairperson of the Common Council, and shall have all powers and duties granted to municipal mayors by West Virginia law, and he or she shall be ex officio a conservator of the peace and have the power to try persons for violations of city ordinances and to convict and sentence persons therefor in accord with municipal ordinance. The Mayor shall also have the power to decide all tie votes of the Common Council.

Section 7: Powers of Council in General

The Common Council shall have all the powers requisite and necessary to govern the City in accord with the laws of West Virginia, including those set forth in Chapter 8, Article 12 of the Code of West Virginia. The Council also shall prescribe by ordinance which licenses of all kinds shall be applied for and granted, and all the terms thereof, and it shall require the payment of the taxes thereon before delivery to the person applying for any such license.

Section 8: Compensation of Mayor and Council

The salaries of the Mayor and members of Common Council for the ensuing term shall be determined by the Common Council prior to the beginning of the filing period for the next election. Their salaries shall not be diminished or increased during the term of office. The salary of Mayor is to be commensurate with that of the office of mayor, with similar duties, in municipalities of similar size in the region.

Section 9: Time for Elections

The municipal election for Mayor and members of the Common Council shall be conducted on the second Tuesday in June, 2003, and a like election conducted on said date every four years thereafter. The Common Council shall, in advance of every election, appoint election officers to conduct the election, and otherwise provide for the proper conduct thereof.

Section 10: Voting Precincts

The Common Council shall by ordinance, in accordance with West Virginia Code Chapter 8, Article 5, Section 13, as amended, integrate City voting precincts with the Lewis County voting system. City precincts shall parallel the county precincts located within the city limits to the extent that it is reasonably applicable.

Section 11: Who is Entitled to Vote

All citizens of the city shall be entitled to vote in all municipal elections, except that no person who has not been registered as a voter as required by law, or who is a minor, or of unsound mind, or who is under conviction of treason, felony, or bribery in an election, or

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who is not a bona fide resident of the city in which he or she offers to vote, shall be permitted to vote at such election while such disability continues.

Section 12: How Tie Vote Decided

When two or more persons shall receive an equal number of votes for mayor or member of Council Member, such tie shall be decided by the Common Council in being.

Section 13: Manner of Voting; Contested Elections; Applicability of State Election Laws

In all municipal elections, the mode of voting shall be by paper ballot or electronic voting machines. All elections in the city shall be held and conducted, and the results thereof certified, returned, and finally determined, and all election contests conducted, in accordance with the laws of the State of West Virginia relating to general elections..

Section 14: Ineligibility or Failure to Qualify

If anyone who shall have been duly elected Mayor or member of Common Council shall not have been eligible as herein prescribed, or shall refuse or fail to take the oath and give the bond required under this act, within the time prescribed, the Council shall declare the office vacant and proceed to fill the vacancy.

Section 15: Filling Vacancies in Elective Offices

Whenever a vacancy shall occur from any cause in the office of Mayor or member of Council, the Council shall immediately fill such vacancy by a vote of a majority of the Council. The appointed officer shall serve until the next scheduled election.

Section 16: When Council to Designate a Council Member to Act as Mayor

The Common Council shall, by order, designate and appoint a Council Member who shall act as Mayor in the absence from the city of the Mayor. While so acting, the Mayor Pro-tem shall be vested with all the powers and duties of the office.

Section 17: Quorum of Council

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

Section 18: Proceedings of Council Meetings to be Read, Signed, and Countersigned; Recording of Ayes and Noes

At meetings of the Common Council, minutes of the proceedings of the prior meeting shall be read and corrected, if erroneous, and signed by the presiding officer, and countersigned by the City Clerk. Upon the call of any member, the ayes and noes upon any question shall

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be taken and recorded in the journal, and the roll for that purpose shall be called alphabetically.

Section 19: Place and Time of Council Meetings

Regular meetings of the Common Council shall be held on the first Monday of each month except when that day is a holiday, in which event the regular monthly meeting shall be held the following day. The time for said meetings shall be set by order of Council, with public notice. However, the Council shall have the power to change the regular appointed day and time of its meetings by ordinance. The Council may by ordinance provide procedures for the call of special meetings. No business may be conducted at either a regular or special meeting unless a quorum is present. All meetings must be conducted in compliance with the West Virginia Open Governmental Proceedings Law.

Section 20: Powers and Duties of Appointed Officers

1. **The City Manager** shall be the chief city administrator, and shall supervise all city services, department chiefs, and all city employees. The City Manager, together with the City Clerk, shall develop and periodically revise a city personnel manual with qualification statements and guidelines for all appointed officer and employee positions. The City Manager shall conduct his duties in accord with policies established by the Common Council.
2. **The City Clerk** shall keep a journal of the proceedings, ordinances, acts, orders, and resolutions of the Common Council, and have charge of and preserve the records of the city, in the city building safe or vault, if there be one. The City Clerk shall also assist the Common Council and the City Manager in supervise all city services and shall be responsible for the keeping and periodic reporting of city record books. The City Clerk shall be the chief election officer for the City, and shall conduct all city elections in accord with the election laws of West Virginia..
3. **The City Finance Manager** shall assist the Common Council and the City Manager to supervise all city financial affairs and the annual audit of city fiscal records, and shall serve as Assessor of the value of properties for city tax purposes.
4. **The City Attorney** shall conduct city legal business, in accord with policies established by the Common Council, and shall advise the Mayor, Council, and City Manager on all legal matters pertaining to the City.

Section 21: Appointed Officers and Employees; Official Bonds

The Common Council may, by ordinance, define the duties of all appointed municipal officers and employees and allow them reasonable compensation, and shall require from all those whose duty it is to receive funds, assets or property, or have charge of the same, such bonds as they shall deem necessary or proper to ensure the faithful performance of their said duties. All officers and employees appointed by Council shall hold their office or appointment at the will and pleasure of the Common Council, but no appointee shall hold

beyond the current year for which he shall have been appointed without being reappointed by the Council.

Section 22: City Moneys; How Expenditures to be Made

All moneys belonging to the city shall be paid over to the City Financial Manager; and no money shall be paid out by him or her except pursuant to an appropriation by the Common Council, and upon an order signed by the Mayor and the City Clerk

Section 23: Regulation of Wards and Expenditures for Street Therein; Special Taxes for Specific Purposes

The Common Council shall adopt ward regulations, whether general or special, for the good of the citizens living within the wards. The Council also shall appropriate street expenditures for each of the wards based upon equity and need. The Council may authorize the collection of special assessments or taxes for specific purposes.

Section 24: Funds Must be on Hand for Appropriations and to Incur Debt; Contracts Involving Future Levy Requires Approval at Referendum

No money shall be appropriated, and no debt shall be contracted, for any purpose whatever, except that the funds to meet the same shall have been first provided by levy duly laid, in accordance with the laws of West Virginia; and no contract shall be entered into involving or anticipating future levies, unless all questions connected with the same shall have been first submitted to a vote of the people and have received three-fifths of all the votes cast for and against the same.

Section 25: Regulation Governing Franchises for use of Streets, Alleys, and Public Grounds

The Common Council shall have the power to grant franchises and the power to compel compliance with franchise obligations in accordance with West Virginia law.

Section 26: Annexation of Territory – Proceedings

The city shall have the power to annex unincorporated territory to become part of the municipality in accordance with the laws of West Virginia.

Section 27: Mayor's Court Docket

A book, well bound and indexed, to be denominated the "docket", shall be kept in the office of the Mayor, in which shall be noted each case brought before or tried by him or her, together with the proceedings therein, including a statement of the complaint, the summons, the return, the fact of appearance or non appearance, the defense, the hearing, the judgment, the costs, in case the judgment be one of conviction, the action taken to enforce the same. The record of each case shall be signed by the Mayor, and the original papers, if no appeal

be taken, shall be kept together and preserved in his office; and the Mayor shall deliver to his/her successor the docket and all books and papers pertaining to his office.

Section 28: Duty of Council as to What May Become Lawfully Chargeable against City; Levies; Annual Publication of Revenues and Expenditures

The Common Council shall cause to be made annually and spread upon its minute book an accurate estimate of all sums which are or may become lawfully chargeable against the city and which ought to be paid within one year; and it shall order a levy of so much as will in its judgment be necessary to pay the same. Such levy shall be upon all real and personal property subject to the state and county taxes. At least once in each year the City Council shall publish in one or more newspapers of the city a statement of the revenue received from the different sources, and of the expenditures upon the different accounts, for the preceding year or portion of year, as the case may be.

Section 29: Assessment of Property by City Finance Manager in his or her Capacity as Assessor

It shall be the duty of the City Finance Manager, who shall be the assessor, to make an assessment of the property within the city subject to taxation, substantially in the manner and form in which assessments are made by the assessor of the county, and to take all lawful steps to collect all debts, fees, and taxes due to the city. The assessment, levy, and collection of such taxes shall be governed by the laws of West Virginia. Every debtor shall be personally liable for all debts owing to the municipality.

Section 30: Lien on Real Estate for Taxes, Assessments, Debts, Fines and Penalties; Enforcement of Lien

There shall be a lien on all real estate within the City for the city taxes, assessments, fines, debts, and penalties due the City from the day of the commencement of such obligation, together with interest thereon at the rate of six percent per annum. The City may enforce collection of said obligations by civil action or any other remedy provided by law.

In accordance with West Virginia law, property taxes are payable in two installments for each tax year. Collection is made by the county sheriff, who then pays over the sums due the City. The City Finance Manager shall keep an accurate account of the moneys so received. The tax property tax records of the Finance Manager shall at all times be open for inspection by any taxpayer or attorney, and he or she shall produce said books to the Common Council for inspection upon the order of Council.

Section 31: Council May Institute Proceedings for Eminent Domain

The Common Council shall have the right to institute proceedings in the name of the city to acquire real estate by eminent domain for the purposes of the public good.

11/05/2001 12:42 13042924880 ANN L BALLARD ESQ PAGE 06

Section 32: Inconsistent Acts Repealed

All acts or parts of acts inconsistent with this act are hereby repealed, but the act shall not be construed to repeal, change, or modify any previous acts not inconsistent with this act, or to take away any power heretofore conferred upon the City of Weston or its officers and authorities by general law, except so far as the same may be inconsistent with the powers hereby conferred.

* * *

Subsection 2. The ordinance shall be published in its entirety in the publication area of the City of Weston as a Class II-0 legal advertisement as set forth in Chapter 59, Article 3 of the Code of West Virginia.

Subsection 3. A public hearing to consider the proposed amendment to the Charter shall be held at ~~January 7, 2002~~ Lewis County Senior Citizens Ctr beginning at 6:00 p. m. on the 7 day of January, 2002, which said date is more than 30 days after the date of the first publication as aforesaid. Any qualified voter or freeholder of the City of Weston may appear and file objections, in writing, at said hearing. If no objections are filed, the said amendment shall become operative on and after the 18th day of January, 2002, which is more than ten days after the date of said hearing.

Subsection 4. This ordinance shall take effect from and after its final passage.

Passed 1st reading December 3, 2001.
Passed 2nd reading January 18, 2002.
Effective date: " , 2002.

Mayor

Clerk

OATH OF OFFICE

STATE OF WEST VIRGINIA
COUNTY OF LEWIS
CITY OF WESTON

I, **Jon J. Tucci,** do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will truly, faithfully and impartially discharge the duties of the office upon which I am about to enter to the best of my skill and judgment.

Signature

AFFIANT

Given under my hand and official seal this 12 day of June 2003.

My Commission Expires: July 13, 2004

Official Seal
Notary Public, State of West Virginia
Denise D. Brooks
P.O. Box 13
Weston, WV 26452
My Commission Expires July 13, 2004

Notary Public

STATE OF WEST VIRGINIA,
COUNTY OF LEWIS,
CITY OF WESTON, to wit:

The foregoing Oath of Office was this day filed with me as Clerk of the City of Weston, this 12th day of June 20 03 .

Seal

Clerk of the City of Weston

OATH OF OFFICE

STATE OF WEST VIRGINIA
COUNTY OF LEWIS
CITY OF WESTON

I, **Rebecca J. Pickens,** do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will truly, faithfully and impartially discharge the duties of the office upon which I am about to enter to the best of my skill and judgment.

Rebecca J Pickens
Signature

AFFIANT

Given under my hand and official seal this 17th day of May, 2005.

My Commission Expires: April 11 2012

[illegible]
STA[illegible]NIA
[illegible]
[illegible]
200 McCALL ROAD
JANE LEW, WV 26378
My Commission Expires April 11, 2012

Vickie McCall
Notary Public

STATE OF WEST VIRGINIA
COUNTY OF LEWIS
CITY OF WESTON, to wit:

The foregoing Oath of Office was this day filed with me as Clerk of the City of Weston, this 17th day of May, 2005.

Rebecca J Pickens
Clerk of the City of Weston

SEAL

OATH OF OFFICE

STATE OF WEST VIRGINIA
COUNTY OF LEWIS
CITY OF WESTON

I, **Richard John,** do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will truly, faithfully and impartially discharge the duties of the office upon which I am about to enter to the best of my skill and judgment.

Signature

AFFIANT

Given under my hand and official seal this 12 day of June 2003

My Commission Expires: July 13, 2004

Official Seal
Notary Public, State of West Virginia
Denise D. Brooks
P.O. Box 13
Weston, WV 26452
My Commission Expires July 13, 2004

Notary Public

STATE OF WEST VIRGINIA,
COUNTY OF LEWIS,
CITY OF WESTON, to wit:

The foregoing Oath of Office was this day filed with me as Clerk of the City of Weston, this 12th day of June 20 03.

Seal

Clerk of the City of Weston

OATH OF OFFICE

STATE OF WEST VIRGINIA
COUNTY OF LEWIS
CITY OF WESTON

I, **Louella Clem,** do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will truly, faithfully and impartially discharge the duties of the office upon which I am about to enter to the best of my skill and judgment.

Louella Clem
Signature

AFFIANT

Given under my hand and official seal this 12 day of June 2003.

My Commission Expires: July 13, 2004

Official Seal
Notary Public, State of West Virginia
Denise D. Brooks
P.O. Box 13
Weston, WV 26452
My Commission Expires July 13, 2004

Notary Public

STATE OF WEST VIRGINIA,
COUNTY OF LEWIS,
CITY OF WESTON, to wit:

The foregoing Oath of Office was this day filed with me as Clerk of the City of Weston, this 12th day of June 20 03.

Seal

Rebecca Dunlap
Clerk of the City of Weston

OATH OF OFFICE

STATE OF WEST VIRGINIA
COUNTY OF LEWIS
CITY OF WESTON

I, **Betty Jo Brooks,** do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will truly, faithfully and impartially discharge the duties of the office upon which I am about to enter to the best of my skill and judgment.

Betty Jo Brooks
Signature

AFFIANT

Given under my hand and official seal this 12 day of June 2003.

My Commission Expires: July 13, 2004

Official Seal
Notary Public, State of West Virginia
Denise D. Brooks
P.O. Box 13
Weston, WV 26452
My Commission Expires July 13, 2004

Notary Public

STATE OF WEST VIRGINIA,
COUNTY OF LEWIS,
CITY OF WESTON, to wit:

The foregoing Oath of Office was this day filed with me as Clerk of the City of Weston, this 12th day of June 20 03.

Seal

Clerk of the City of Weston

OATH OF OFFICE

STATE OF WEST VIRGINIA
COUNTY OF LEWIS
CITY OF WESTON

I, **Charles Hathaway,** do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will truly, faithfully and impartially discharge the duties of the office upon which I am about to enter to the best of my skill and judgment.

Charles R. Hathaway
Signature

AFFIANT

Given under my hand and official seal this 1st day of March, 2004.

My Commission Expires January 9, 2011

Official Seal
Notary Public, State of West Virginia
June Mackey
836 Pine Lane
Weston, WV 26452
My commission expires January 9, 2011

June L. Mackey
Notary Public

STATE OF WEST VIRGINIA
COUNTY OF LEWIS
CITY OF WESTON, to wit:

The foregoing Oath of Office was this day filed with me as Clerk of the City of Weston, this 17th day of June, 2005.

Rebecca J. Pickens
Clerk of the City of Weston

SEAL

RESOLUTION ESTABLISHING RULES BY WHICH THE DATE, TIME, PLACE AND AGENDA OF ALL REGULARLY SCHEDULED MEETINGS AND THE DATE, TIME, PLACE AND PURPOSE OF ALL SPECIAL MEETINGS ARE TO BE MADE AVAILABLE, IN ADVANCE, TO THE PUBLIC AND NEWS MEDIA AND PROVIDING WHEN THIS RESOLUTION AND SUCH RULES SHALL TAKE EFFECT.

Be it Resolved and Ordered by the Council of the City of Weston, Lewis County, West Virginia:

Section 1. Statutory Mandate for The Rules. The rules established in and by this Resolution are mandated by and promulgated pursuant to Chapter 6, Article 9A of the Code of West Virginia, 1931, as amended (the "Act"), and other applicable provisions of law. The provisions of the Act, as amended from time to time, are incorporated herein as if fully set out herein.

Section 2. Findings and Determinations. It is hereby found, determined and declared as follows:

(A) Section 3 of the Act requires each governing body, as defined in the Act, to promulgate rules by which the date, time, place and agenda of all regularly scheduled meetings and the date, time, place and purpose of all special meetings are made available, in advance, to the public and news media.

(B) The Council of the City of Weston (the "Council"), Lewis County, West Virginia (the "City"), is the governing body of the City within the meaning of the Act.

(C) Accordingly, it is hereby ordered that the rules set out in Section 3 hereof be promulgated and established as the Rules of Procedure of the Council.

Section 3. Rules. The following are hereby promulgated and established as the Rules of Procedure of the Council:

Rule No. 1. Notice of Regularly Scheduled Meetings. Immediately after adoption of this Resolution and in July of each year thereafter, the Council shall instruct the City Clerk to, and the City Clerk shall, post, and leave posted throughout the year to which it applies, at the regular meeting place of the Council, where notices customarily are posted, a notice setting forth the date, time and place of the Council's regularly scheduled meetings for

the ensuing year. In addition, a copy of the agenda for each regularly scheduled meeting shall also be posted at the same location by the City Clerk not less than 72 hours before such regular meeting is to be held.

The Council shall also instruct the City Clerk to, and the City Clerk shall, distribute to each of the newspapers and other news media listed below a notice identical to that posted:

News Media	Address
Weston Democrat	306 Main Street Weston, WV 26452
Clarksburg Exponent-Telegram	324 Hewes Avenue Clarksburg, WV 26301

A notice shall be considered distributed to a news medium when it has been addressed to such news medium at the address listed above, or at such other address as the news medium has in writing requested be used, marked or stamped with first class postage and deposited in the United States mail. In July of each year after the adoption of this Resolution, the Council shall review the above list and shall amend such list as needed, in the opinion of the Council, to reflect properly all the newspapers and other news media that customarily cover news of the area served by the Council. In addition, a copy of the agenda for each regularly scheduled meeting shall also be distributed to the news media by the City Clerk not less than 72 hours before such regular meeting is to be held.

In the event of any modification to the date, time, place or agenda of a regularly scheduled meeting of the Council, notice of such modification shall immediately be given to the public and news media by posting at the place and distributing to the news media in the manner set forth above not less than 48 hours before such regular meeting is to be held. A copy of the notice of such modification shall be attached to and made a part of the minutes of the meeting for which such notice was given.

Rule No. 2. Notice of Special Meetings. Not less than 72 hours prior to the date set for any special meeting of the Council, the Council shall instruct the City Clerk to, and the City Clerk shall, post at the regular meeting place of the Council, where notices customarily are posted, a notice setting forth the date, time, place and purpose or purposes of such special meeting. Business at such special meeting shall be limited to the purpose or purposes specified in said notice.

As soon as practical after the posting of said notice, but not less than 72 hours prior to the date set for such special meeting, the City Clerk shall distribute to each of the

newspapers and other news media listed in Rule No. 1 hereof, a notice identical to that posted. Amendments made to such news media list, as provided for in said Rule No. 1, shall be incorporated by reference in this Rule No. 2. A notice shall be considered distributed to a news medium when it has been addressed to such news medium at the address listed in said Rule No. 1, or at such other address as the news medium has in writing requested be used, marked or stamped with first class postage and deposited in the United States mail.

A copy of such notice posted and distributed pursuant to this Rule No. 2 shall be attached to and made a part of the minutes of the meeting for which such notice was given.

Rule No. 3. Emergency Meetings. The Council may hold a meeting without providing the notice to the public and news media required by Rule No. 1 and Rule No. 2 hereof only in the event of an emergency requiring immediate official action. The existence for such an emergency requiring immediate official action shall be determined by the Council and shall be attested to in a certificate by the City Clerk describing such emergency and setting forth the reason or reasons immediate official action is required, which certificate shall be attached to and made a part of the minutes of such emergency meeting.

Rule No. 4. Executive Sessions. The Council may hold an executive session during a regular, special or emergency meeting in accordance with Section 4 of the Act. During the open portion of the meeting, prior to convening an executive session, the Mayor shall identify the authorization under Section 4 of the Act for holding the executive session and present it to the Council and to the general public, but no decision may be made in the executive session. An executive session may be held only upon a majority affirmative vote of the Council members present. The Council may hold an executive session and exclude the public only when a closed session is required for any of the actions permitted under Section 4 of the Act.

Rule No. 5. Minutes. The Council shall provide for the preparation of written minutes of all of its meetings. Subject to the exceptions set forth in Section 4 of the Act, minutes of all meetings except minutes of executive sessions, if any are taken, shall be available to the public within a reasonable time after the meeting and shall include, at least, the following information:

(1) The date, time and place of the meeting;
(2) The name of each Council member present and absent;
(3) All motions, proposals, resolutions, orders, ordinances and measures proposed, the name of the person proposing the same and their disposition; and
(4) The results of all votes and, upon the request of a Council member, the vote of each Council member, by name.

Rule No. 6. No Actions by Reference. Except as otherwise expressly provided by law, the Council may not deliberate, vote, or otherwise take official action upon any matter by reference to a letter, number or other designation or other secret device or method, which may render it difficult for persons attending a meeting to understand what is being deliberated, voted or acted upon. However, this rule does not prohibit the Council from deliberating, voting or otherwise taking action by reference to an agenda, if copies of the agenda, sufficiently worded to enable the public to understand what is being deliberated, voted or acted upon, are available for public inspection at the meeting. The Council may not vote by secret or written ballot.

Rule No. 7. Broadcasting of Meetings. Except as otherwise provided in this rule, any radio or television station is entitled to broadcast all or any part of a Council meeting required to be open. The Council may regulate the placement and use of equipment necessary for broadcasting, photographing, filming or recording a meeting, so as to prevent undue interference with the meeting. The Council shall allow the equipment to be placed within the meeting room in such a way as to permit its intended use, and the ordinary use of the equipment may not be declared to constitute undue interference; provided, that if the Council, in good faith, determines that the size of the meeting room is such that all the members of the public present and the equipment and personnel necessary for broadcasting, photographing, filming and tape-recording the meeting cannot be accommodated in the meeting room without unduly interfering with the meeting and an adequate alternative meeting room is not readily available, then the Council, acting in good faith and consistent with the purposes of this rule, may require the pooling of the equipment and the personnel operating it.

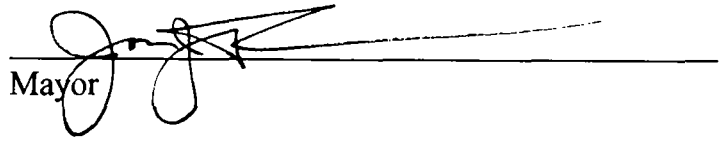
Rule No. 8. Telephonic Meetings. Council meetings may be held by telephone conference or other electronic means. All Council members participating by telephone or other electronic means must be audible to all those personally present.

Section 4. Committee Meetings. All meetings of any committee of the Council shall be subject to the Rules of Procedure set forth in Section 3 hereof.

Section 5. Conflicting Provisions Repealed. All resolutions, orders and rules, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflicts, hereby repealed.

Section 6. Effective Time. This Resolution and the Rules of Procedure promulgated hereby shall take effect immediately upon the adoption hereof.

Adopted this 6th day of June, 2005.



Mayor

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Council of the City of Weston on the 6th day of June, 2005.

Dated this 24th day of June, 2005.

[SEAL]

Rebecca J. Pickens
City Clerk

05/17/05
100530/00308

May 24, 1947 Journal 7 Page 189

AN ORDINANCE PROVIDING FOR A TAX ON PURCHASES OF INTOXICATING LIQUORS.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF WESTON:

As authorized and empowered by Section 15a, Article 4 , Chapter 8 of the Code of West Virginia, there is hereby levied upon , and shall be collected from, the purchaser of any and all intoxicating liquors purchased at retail within the corporate limits of the City of Weston , a tax of one cent for each fifty cents or fractional part thereof of the purchase price or charge paid for such intoxicating liquors by the purchaser thereof.

This ordinance is to be effective on and after July 1, 1947.

July 11, 1947 Journal 7 Page 199

AN ORDINANCE PROVIDING THAT THE CUSTODY, ADMINISTRATION, OPERATION AND MAINTENANCE OF SEWAGE COLLECTION SYSTEM FOR THE CITY OF WESTON SHALL BE VESTED IN A SANITARY BOARD AS PROVIDED BY CHAPTER 16, ART.13 OF THE CODE OF WEST VIRGINIA.

Whereas, by virtue of Chapter 16-Article 13, Section 15, of the Code of W. Va., the City of Weston is thereby authorized and empowered to own, acquire, construct, equip, operate and maintain a Sewage Collection System, and

Whereas, by order duly entered by the State Water Commission of the State of West Virginia, the City of Weston has been directed to cease pollution of the West Fork River. Now, therefore be it ordained by the Common Council of the City of Weston:-

1. That the custody, administration, operation and maintenance of a Sewage Collection System for the City of Weston shall be under the supervision and control of a Sanitary Board.

2. Such Sanitary Board shall be composed of the Mayor of the City of Weston and two persons appointed by the Council of the said City of Weston, One of whom, during the construction period of said Sewage Collection System must be a registered professional engineer.

3. The Engineer Member of the Board need not be a resident of the City of Weston, and after the construction of the plant has been completed, the Engineer Member may be succeeded by a person not an engineer.

4. No officer or employee of the City of Weston, whether holding a paid or unpaid office, shall be eligible to appointment on said Sanitary Board until at least one year after the expiration of the term of his public office.

5. Said appointments shall originally be appointed for terms of two and three years respectively, and upon the expiration of each such term, each succeeding term, an appointment of a successor shall be made in like manner for a term of three years. Vacancies shall be filled for an unexpired term in the same manner as the original appointment. Each Member shall give bond, if any, as may be required by ordinance.

6. The Mayor shall act as Chairman of the Sanitary Board, which shall elect a Vice-Chairman from its members and shall designate a Secretary and Treasurer(but the Secretary and Treasurer may be one and the same,) who need not be a member or members of the Sanitary Board). The Vice-Chairman, Secretary and Treasurer shall hold office as such at the will of the Sanitary Board. The Members of the Sanitary Board shall receive, as compensation for their services, the sum of $ 25.00 dollars per month for each member and shall be entitled to payment for their reasonable expenses incurred in the performance of their duties. The compensation of the Secretary shall be the sum of $ 10.00 dollars per month and the compensation of the Treasurer shall be the sum of $ 10.00 per month and the said Treasurer shall give bond in the amount of $ 1,000.00 dollars with good security.

7. Said Sanitary Board shall have all such powers and authority as set forth in Chapter 16 Article 13 Section 17 of the Code of West Virginia.

8. All compensation together with the expenses in this ordinance referred to shall be paid solely from funds provided under the authority of Article 13-Chapter 16 of the Code of West Virginia.

9. The Sanitary Board shall have power to establish by-laws, rules and regulations for it's own government.

10. This ordinance shall be in effect from passage.

STATE OF WEST VIRGINIA

COUNTY OF LEWIS, TO WIT:

I, Joan J. Iucci, do solemnly swear or affirm that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the Sanitary Board of the City of Weston to the best of my skill and judgment.

Given under my hand this 13th day of June, 2005.

Subscribed and sworn or affirmed to before me, in said County and State, this 13th day of June, 2005.

[SEAL]

Notary Public

My Commission Expires 1/25/09

STATE OF WEST VIRGINIA

COUNTY OF LEWIS, TO WIT:

I, J. Robert Nicholson, do solemnly swear or affirm that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the Sanitary Board of the City of Weston to the best of my skill and judgment.

Given under my hand this 13th day of June, 2005.

John R Nicholson

Subscribed and sworn or affirmed to before me, in said County and State, this 13th day of June, 2005.

[SEAL]

D. Kathryn Evans
Notary Public
My Commission Expires 1/25/09

STATE OF WEST VIRGINIA

COUNTY OF LEWIS, TO WIT:

I, Frank Angotti, do solemnly swear or affirm that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the Sanitary Board of the City of Weston to the best of my skill and judgment.

Given under my hand this 13th day of June, 2005.

Frank Angotti

Subscribed and sworn or affirmed to before me, in said County and State, this 13th day of June, 2005.

[SEAL]

D. Kathryn Evans
Notary Public
My Commission Expires 1/25/09

RESOLUTION ESTABLISHING RULES BY WHICH THE DATE, TIME, PLACE AND AGENDA OF ALL REGULARLY SCHEDULED MEETINGS AND THE DATE, TIME, PLACE AND PURPOSE OF ALL SPECIAL MEETINGS ARE TO BE MADE AVAILABLE, IN ADVANCE, TO THE PUBLIC AND NEWS MEDIA AND PROVIDING WHEN THIS RESOLUTION AND SUCH RULES SHALL TAKE EFFECT.

Be it Resolved and Ordered by the Sanitary Board of the City of Weston, Lewis County, West Virginia:

Section 1. Statutory Mandate for The Rules. The rules established in and by this Resolution are mandated by and promulgated pursuant to Chapter 6, Article 9A of the Code of West Virginia, 1931, as amended (the "Act"), and other applicable provisions of law. The provisions of the Act, as amended from time to time, are incorporated herein as if fully set out herein.

Section 2. Findings and Determinations. It is hereby found, determined and declared as follows:

(A) Section 3 of the Act requires each governing body, as defined in the Act, to promulgate rules by which the date, time, place and agenda of all regularly scheduled meetings and the date, time, place and purpose of all special meetings are made available, in advance, to the public and news media.

(B) The Sanitary Board (the "Board") of the City of Weston, Lewis County, West Virginia (the "City"), is a governing body within the meaning of the Act.

(C) Accordingly, it is hereby ordered that the rules set out in Section 3 hereof be promulgated and established as the Rules of Procedure of the Board.

Section 3. Rules. The following are hereby promulgated and established as the Rules of Procedure of the Board:

Rule No. 1. Notice of Regularly Scheduled Meetings. Immediately after adoption of this Resolution and in July of each year thereafter, the Board shall instruct the Secretary to, and the Secretary shall, post, and leave posted throughout the year to which it applies, at the regular meeting place of the Board, where notices customarily are posted, a

notice setting forth the date, time and place of the Board's regularly scheduled meetings for the ensuing year. In addition, a copy of the agenda for each regularly scheduled meeting shall also be posted at the same location by the Secretary not less than 72 hours before such regular meeting is to be held.

The Board shall also instruct the Secretary to, and the Secretary shall, distribute to each of the newspapers and other news media listed below a notice identical to that posted:

News Media	Address
Weston Democrat	306 Main Street Weston, WV 26452
Clarksburg Exponent-Telegram	324 Hewes Avenue Clarksburg, WV 26301

A notice shall be considered distributed to a news medium when it has been addressed to such news medium at the address listed above, or at such other address as the news medium has in writing requested be used, marked or stamped with first class postage and deposited in the United States mail. In July of each year after the adoption of this Resolution, the Board shall review the above list and shall amend such list as needed, in the opinion of the Board, to reflect properly all the newspapers and other news media that customarily cover news of the area served by the Board. In addition, a copy of the agenda for each regularly scheduled meeting shall also be distributed to the news media by the Secretary not less than 72 hours before such regular meeting is to be held.

In the event of any modification to the date, time, place or agenda of a regularly scheduled meeting of the Board, notice of such modification shall immediately be given to the public and news media by posting at the place and distributing to the news media in the manner set forth above not less than 48 hours before such regular meeting is to be held. A copy of the notice of such modification shall be attached to and made a part of the minutes of the meeting for which such notice was given.

Rule No. 2. Notice of Special Meetings. Not less than 72 hours prior to the date set for any special meeting of the Board, the Board shall instruct the Secretary to, and the Secretary shall, post at the regular meeting place of the Board, where notices customarily are posted, a notice setting forth the date, time, place and purpose or purposes of such special meeting. Business at such special meeting shall be limited to the purpose or purposes specified in said notice.

As soon as practical after the posting of said notice, but not less than 72 hours prior to the date set for such special meeting, the Secretary shall distribute to each of the

newspapers and other news media listed in Rule No. 1 hereof, a notice identical to that posted. Amendments made to such news media list, as provided for in said Rule No. 1, shall be incorporated by reference in this Rule No. 2. A notice shall be considered distributed to a news medium when it has been addressed to such news medium at the address listed in said Rule No. 1, or at such other address as the news medium has in writing requested be used, marked or stamped with first class postage and deposited in the United States mail.

A copy of such notice posted and distributed pursuant to this Rule No. 2 shall be attached to and made a part of the minutes of the meeting for which such notice was given.

Rule No. 3. Emergency Meetings. The Board may hold a meeting without providing the notice to the public and news media required by Rule No. 1 and Rule No. 2 hereof only in the event of an emergency requiring immediate official action. The existence for such an emergency requiring immediate official action shall be determined by the Board and shall be attested to in a certificate by the Secretary describing such emergency and setting forth the reason or reasons immediate official action is required, which certificate shall be attached to and made a part of the minutes of such emergency meeting.

Rule No. 4. Executive Sessions. The Board may hold an executive session during a regular, special or emergency meeting in accordance with Section 4 of the Act. During the open portion of the meeting, prior to convening an executive session, the Chairperson shall identify the authorization under Section 4 of the Act for holding the executive session and present it to the Board and to the general public, but no decision may be made in the executive session. An executive session may be held only upon a majority affirmative vote of the Board members present. The Board may hold an executive session and exclude the public only when a closed session is required for any of the actions permitted under Section 4 of the Act.

Rule No. 5. Minutes. The Board shall provide for the preparation of written minutes of all of its meetings. Subject to the exceptions set forth in Section 4 of the Act, minutes of all meetings except minutes of executive sessions, if any are taken, shall be available to the public within a reasonable time after the meeting and shall include, at least, the following information:

(1) The date, time and place of the meeting;
(2) The name of each Board member present and absent;
(3) All motions, proposals, resolutions, orders, ordinances and measures proposed, the name of the person proposing the same and their disposition; and
(4) The results of all votes and, upon the request of a Board member, the vote of each Board member, by name.

Rule No. 6. No Actions by Reference. Except as otherwise expressly provided by law, the Board may not deliberate, vote, or otherwise take official action upon any matter by reference to a letter, number or other designation or other secret device or method, which may render it difficult for persons attending a meeting to understand what is being deliberated, voted or acted upon. However, this rule does not prohibit the Board from deliberating, voting or otherwise taking action by reference to an agenda, if copies of the agenda, sufficiently worded to enable the public to understand what is being deliberated, voted or acted upon, are available for public inspection at the meeting. The Board may not vote by secret or written ballot.

Rule No. 7. Broadcasting of Meetings. Except as otherwise provided in this rule, any radio or television station is entitled to broadcast all or any part of a Board meeting required to be open. The Board may regulate the placement and use of equipment necessary for broadcasting, photographing, filming or recording a meeting, so as to prevent undue interference with the meeting. The Board shall allow the equipment to be placed within the meeting room in such a way as to permit its intended use, and the ordinary use of the equipment may not be declared to constitute undue interference; provided, that if the Board, in good faith, determines that the size of the meeting room is such that all the members of the public present and the equipment and personnel necessary for broadcasting, photographing, filming and tape-recording the meeting cannot be accommodated in the meeting room without unduly interfering with the meeting and an adequate alternative meeting room is not readily available, then the Board, acting in good faith and consistent with the purposes of this rule, may require the pooling of the equipment and the personnel operating it.

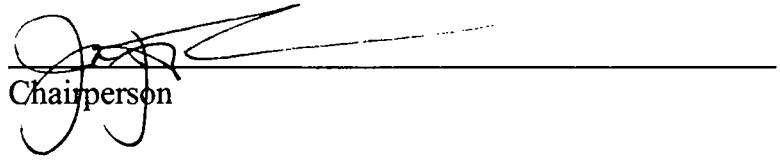
Rule No. 8. Telephonic Meetings. Board meetings may be held by telephone conference or other electronic means. All Board members participating by telephone or other electronic means must be audible to all those personally present.

Section 4. Committee Meetings. All meetings of any committee of the Board shall be subject to the Rules of Procedure set forth in Section 3 hereof.

Section 5. Conflicting Provisions Repealed. All resolutions, orders and rules, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflicts, hereby repealed.

Section 6. Effective Time. This Resolution and the Rules of Procedure promulgated hereby shall take effect immediately upon the adoption hereof.

Adopted this 13th day of June, 2005.



Chairperson

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Sanitary Board of the City of Weston on the 13th day of June, 2005.

Dated this 24th day of June, 2005.

[SEAL]

Secretary

05/17/05
100530/00308

040982alj011105.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: January 11, 2005

FINAL

1-31-05

CASE NO.04-0982-S-CN

WESTON SANITARY BOARD
Application for a certificate of convenience and necessity to replace existing 12-inch sanitary sewers along Stonecoal Creek in Lewis County.

RECOMMENDED DECISION

On May 14, 2004, the Weston Sanitary Board (Board) filed a letter indicating that it intended to file an application for a certificate of convenience and necessity for improvements to its sanitary sewer system.

On June 24, 2004, the Board filed an application, Form No. 4, on behalf of the City of Weston (City) for improvements to its sanitary sewer system. Specifically, the Board proposed to replace certain existing 12-inch sanitary sewer lines located along Stonecoal Creek from its mouth at the West Fork River upstream to the Fest Pump Station in Weston, Lewis County. No new customers would be added as a result of the proposed project. The Board also filed a completed Form No. 14, the proposed Notice of Filing. The proposed project is expected to cost approximately $984,000 and will be funded by a West Virginia Infrastructure and Jobs Development Council (WVIJDC) grant in the amount of $492,000 and a WVIJDC loan in the amount of $492,000. The loan will be for a forty-year term at an interest rate of zero percent. The City's debt service obligations for the WVIJDC loan were proposed to be funded by a general rate increase to be enacted by a municipal rate ordinance effective September 30, 2004, which will produce approximately $153,307 in additional annual revenue, an increase of 15%. The Board stated that the sewer lines which are proposed to be replaced are over fifty years old and significantly deteriorated. An October 24, 2002 letter to the City from the West Virginia Health Department described the discharges and overflows resulting from the deteriorated sewer lines as an "imminent public health hazard" and an "operational emergency."

By Order dated June 24, 2004, the Board was directed to give notice of the filing of its application by publishing a copy of said Order once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Lewis County, making due return to the Commission of proper certification of publication immediately after publication. The Notice directed that anyone desiring to make objection to the application or to intervene in this

proceeding must do so, in writing, within thirty (30) days after the date of publication of said Notice. It was further provided that failure to timely protest or intervene could affect one's right to protest, including any associated rate increases, or to participate in future proceedings. The Notice further provided that, if no protests were received within the thirty-day protest period, the Commission could waive formal hearing and grant the application based upon the evidence submitted in the application and the Commission's review thereof.

On July 9, 2004, the Board filed the verification of its application and a tariff which it proposed to implement.

On July 13, 2004, Stanley and Mildred Cumberledge filed a letter of protest.

On July 14, 2004, the Board filed an affidavit of publication from The Weston Democrat, a newspaper published and generally circulated in Lewis County, reflecting publication of the Notice of Filing on July 7, 2004.

On July 16, 2004, the Board filed Rule 42 information.

On July 20, 2004, Staff Attorney Cecelia Gail Jarrell filed the Initial Joint Staff Memorandum, to which was attached the Initial Internal Memorandum, dated July 19, 2004, prepared by David L. Acord, II, Utilities Analyst Supervisor, Water and Wastewater Division, and Jefferson E. Brady, P.E., Engineer I, Engineering Division. Mr. Acord and Mr. Brady stated that Staff would not be able to recommend approval of the certificate until rates, sufficient to address costs associated with the project, are final. Upon the initial review, Staff reported that it needed information regarding the following in order to complete its review: (1) an itemized construction cost estimate corresponding to the bid form as submitted in the contract documents; (2) a stormwater NPDES permit; (3) a comment letter from the U.S. Department of the Interior, Fish and Wildlife Service; and (4) a copy of the ordinance increasing rates by approximately 15%. Ms. Jarrell reported that Commission Staff had met with the Board and its representatives and explained to them the documents which are necessary before a final recommendation can be made. Ms. Jarrell stated that, although Staff expects that these documents would be provided voluntarily, a formal data request would be filed to obtain the necessary information.

On July 22, 2004, Andrea D. Jewell of Weston filed a letter of protest.

On July 26, 2004, Matthew Brown of Weston filed a letter of protest.

By Commission Referral Order dated July 28, 2004, this proceeding was referred to the Division of Administrative Law Judges with a decision to be rendered on or before January 20, 2005.

On July 26, 2004, the Corathers Family of Weston filed a letter of protest.

On August 5, 2004, the Board filed an itemized construction cost estimate and a certified copy of the rate ordinance. The Board stated that a stormwater NPDES permit is not required. The Board also reported that it expected to receive a comment letter from the U.S. Department of Interior, Fish and Wildlife Service, within the next few weeks.

On August 20, 2004, the Board filed a comment letter from the U.S. Department of Interior, Fish and Wildlife Service.

On September 8, 2004, the Board reported that the City had satisfied all of the requirements of the law of West Virginia regarding the adoption of a municipal rate ordinance and that the new rates would become effective on September 16, 2004. Additionally, the Board reported that Staff had been provided with all requested documentation concerning the project.

By Order issued October 29, 2004, Staff was required to file its Final Joint Staff Memorandum by Friday, November 5, 2004.

By Order dated November 4, 2004, this matter was set for hearing on November 17, 2004, and the Board was required to publish notice of the hearing.

On November 5, 2004, Staff Attorney Jarrell filed the Final Joint Staff Memorandum, to which was attached the October 18, 2004 Final Internal Memorandum, prepared by Mr. Acord and Mr. Brady. Staff stated that the application was deficient for a permit from the U.S. Department of the Interior, Fish and Wildlife Service. Staff concluded that the project showed necessity and there was ample evidence of the discharge of raw sewage into receiving streams at several locations, making the uncorrected situation an imminent public health hazard. Staff also concluded that the project, which uses appropriate technology and economically solves issues that require correction, is convenient. Additionally, the plans and specifications for the project are in general conformance with the Commission's rules and regulations.

Staff's financial review showed that operation and maintenance expenses (O&M) expenses are not projected to increase as a result of the replacement project. Staff removed a one percent (1%) administrative fee associated with the WVIJDC loan and adjusted the Board's debt service. Staff put the Board on notice that the level of leachate revenues would be evaluated and adjusted accordingly in a formal rate proceeding. Staff confirmed that the Board's rate increase, which went into effect on September 30, 2004, would provide a cash flow surplus of $3,137 and coverage of 116.15%. Staff opined that the project is financially feasible and should be approved. Staff also advised the Board to correct its tariff to include a tail block for all consumption over a certain amount in its next rate ordinance.

Staff recommended the following:

1. That the Weston Sanitary Board be granted a certificate of convenience and necessity to construct system improvements as described in the engineering plans and contract documents submitted with the filing;

2. Approval of the WVIJDC loan in the amount of $492,000 (0% interest for 40 years) and the WVIJDC grant in the amount of $492,000. If additional funding is needed to complete the project as proposed, the Board shall immediately petition the Commission for approval of the same;

3. The Board is to notify the Commission when its Engineer has performed the substantial completion inspection;

4. Should bids exceed the estimated construction costs approved herein, the Board shall request approval for any necessary project revisions and submit necessary engineering and financial data in support thereof;

5. That, if there are any changes in the scope of the project or need for increased financing occurs, the Board be required to seek permission from the Commission before proceeding; and

6. Copies of the Engineer's certified bid tabs are to be filed with the Commission and made part of the file as soon as they are available.

On November 12, 2004, the Board filed a letter in which it stated that it concurred with all aspects of the Staff recommendation with the exception of the allegation that the Board was deficient in submitting a permit from the U.S. Department of the Interior, Fish and Wildlife Service.

On November 17, 2004 a hearing was held in the matter with all parties present. The Board was present and represented by Stephanie Mullett. The Commission Staff was represented by Cecelia Jarrell. No members of the public attended.

The Board submitted no evidence into the record. Staff submitted one (1) exhibit into the record which was marked Staff One, the Final Joint Staff Memorandum.

The Board and Staff waived the right to file briefs in the matter.

On December 1, 2004, the transcript, containing thirty (30) consecutively numbered pages of testimony, was filed with the Commission.

On December 8, 2004, the Board filed the Affidavit of Publication for a Notice of Hearing which was published in The Weston Democrat on November 10, 2004.

EVIDENCE

The Board called Denise Evans, its office manager, as its first witness. Ms. Evans testified that the Board's distribution facilities were very old, dating back to the 1950s or 1930s. Ms. Evans stated that the Board had approximately 2,800 customers of which about 150 were commercial customers and another 50 to 60 were public authority. Ms. Evans testified that the project was necessary to eliminate fecal contamination in the river. The Board had been mandated by the Department of Environmental Protection to take care of this problem. (Tr. 7). The Health Department told the Board that its system was a health hazard. (Tr. 8). The project will not extend service to any new customers. (Tr. 8). Ms. Evans also testified that the Board was investigating customers which still need to hook on to the system. (Tr. 8-9). Ms. Evans opined that the proposed project is a public convenience and necessity. (Tr. 9).

On cross-examination by Ms. Jarrell, Ms. Evans testified that the new treatment facility and new lines exacerbated a pre-existing problem with the old lines. (Tr. 10). Ms. Evans also stated that the new rates are currently in effect. (Tr. 10-11).

The Board next called Joe Carney to testify. Mr. Carney testified that he is a consulting engineer with Robinson Engineering, in Charleston, West Virginia. Mr. Carney testified that there are two (2) twelve-inch sewer lines approximately 50 years old each, in Stonecoal Creek, which have a lot of cracks and breaks which permit sewage to flow into the river. High water can also flow into the lines causing the treatment plant to overload. Mr. Carney testified that the lines definitely needed replacement with newer ones that are more water tight. (Tr. 12). One 12-inch line on the side of the river with no additional growth would be replaced with a 12-inch line and the other 12-inch line, which has had increased load and the potential for more development, would be increased to an 18-inch line. (Tr. 13). Mr. Carney also testified that the project had all the required permits which had been submitted to the Commission, including the August 13, 2004 comment letter from the U.S. Department of the Interior, Fish and Wildlife Service. (Tr. 13-14). Mr. Carney testified that the project would be funded entirely by the WVIJDC with half of it in the form of a forty-year loan with zero percent interest and half in the form of a grant. (Tr. 14) Mr. Carney opined that the project was convenient and necessary.

The Board's final witness was Randy Harris. Mr. Harris testified that he is a CPA and his firm prepared the Rule 42 Exhibit. Mr. Harris testified that the rates in place, as recently enacted by the municipal rate ordinance, were sufficient to cover the debt service and coverage requirements associated with the project. (Tr. 16-17).

The Board concluded its case.

Staff called David Acord as its first witness. Mr. Acord testified that the rates passed by the City were sufficient to cover the cash flow needs of the utility and were also sufficient to handle the new indebtedness for the project. (Tr. 19-20). Mr. Acord saw no

changes in O&M expenses because of the project. (Tr. 20). Mr. Acord opined that the rates adopted by Weston were sufficient to support debt service coverage. (Tr. 21). Mr. Acord testified that, from a financial standpoint, Staff recommended approval of the WVIJDC loan in the amount of $492,000, at zero percent interest for forty years, and the WVIJDC grant in the amount of $492,000. Staff also recommended that, if additional funding is needed to complete the project as proposed, the Board would have to petition for approval.

Staff next called Jefferson E. Brady. Mr. Brady testified that the project was necessary. (Tr. 24). Mr. Brady also testified that the project application is no longer deficient now that the Fish and Wildlife Service comment letter has been made part of the file. (Tr. 25). Mr. Brady stated that Staff recommended the Weston Sanitary Board be granted a certificate of convenience and necessity to construct system improvements as described in the plans and the contract documents submitted with its application. The Board is to notify the Commission when its Engineer has performed the substantial completion inspection. Should bids exceed the estimated construction cost approved herein, the Board shall request approval of any necessary project revisions and submit necessary engineering and financial data in support thereof. Copies of the engineer's certified bid tabs are to be filed with the Commission and made a part of the file as soon as they are available. (Tr. 27). Mr. Brady stated that he would not be surprised if construction costs have changed since the estimate was done for this project. (Tr. 27).

FINDINGS OF FACT

1. On May 14, 2004, the Weston Sanitary Board filed a Notice of Intent to file a formal application for a certificate of convenience and necessity for improvements to its sanitary sewer system. (See, May 14, 2004 filing).

2. On June 24, 2004, the Board filed its duly verified application for a certificate of convenience and necessity for improvements to its sanitary sewer system to eliminate an imminent public health hazard and an operational emergency. The proposed project is expected to cost approximately $984,000 and will be funded by a West Virginia Infrastructure and Jobs Development Council grant in the amount of $492,000 and a West Virginia Infrastructure and Jobs Development Council loan in the amount of $492,000. (See, application filed June 24, 2004; filing dated July 9, 2004; and Final Joint Staff Memorandum, with attachment, filed November 5, 2004).

3. The Board demonstrated proper publication of its Notice of Filing, on July 7, 2004, in The Weston Democrat, a newspaper published and generally circulated in Lewis County. Several letters of protest were filed. (See, affidavit of publication filed July 14, 2004; case file generally).

4. Commission Staff recommended that: the Board be granted a certificate of convenience and necessity to construct system improvements as described in the engineering plans and contract

documents submitted with the filing; approval of the West Virginia Infrastructure and Jobs Development Council loan in the amount of $492,000 (zero percent interest for 40 years) and the West Virginia Infrastructure and Jobs Development Council grant in the amount of $492,000; if additional funding is needed to complete the project as proposed, the Board shall immediately petition the Commission for approval of the same; the Board is to notify the Commission when its engineer has performed the substantial completion inspection; should bids exceed the estimated construction costs approved by the Commission, the Board shall request approval for any necessary project revisions and submit necessary engineering and financial data in support; any changes in the scope of the project or need for increased financing will require the Board to seek permission from the Commission before proceeding; and a copy of the engineer's certified bid tabs are to be filed with the Commission and made part of the file as soon as they are available. (See, Final Internal Memorandum, dated October 18, 2004, attached to the Final Joint Staff Memorandum filed November 5, 2004).

5. The Board has received a funding commitment from the West Virginia Infrastructure and Jobs Development Council in the amount of $984,000, with $492,000 of the amount in the form of a loan with an annual interest rate of zero percent for forty years and an annual debt payment of $12,948. The Board must establish a 10% debt service reserve equal to $1,295 and a renewal and replacement reserve equal to 2.5% of operating revenues. The other half of the $984,000 project is in the form of a $492,000 grant from the West Virginia Infrastructure and Jobs Development Council. (See, commitment letter attached as an exhibit with the application filed June 24, 2004; Final Internal Memorandum dated October 18, 2004, attached to the Final Joint Staff Memorandum filed November 5, 2004).

6. This project will not increase operation and maintenance expenses. No rate increase is necessary in order to cover the increased expenses for debt service coverage and the reserves, since Weston enacted an ordinance effective September 30, 2004, for rates and charges which increase annual operating revenues by $153,307. The adopted rates will provide a cash flow surplus of $3,137 and debt coverage of 116.15%. (See, Final Internal Memorandum dated October 18, 2004, attached to the Final Joint Staff Memorandum filed November 5, 2004).

7. The Final Joint Staff Memorandum was served upon the Board by letter dated November 5, 2004, providing the Board with ten (10) days in which to respond to the Staff recommendation. (See, Executive Secretary letter dated November 5, 2004).

8. The Board filed a letter in which the Board stated that it concurred with all aspects of the Staff recommendation, with the exception of the comment that the Board had not submitted a required permit from the U.S. Department of the Interior, Fish and Wildlife Service. (See, filing dated November 12, 2004).

9. Staff witness Jefferson Brady testified that the application is no longer deficient now that the Fish and Wildlife Service comment letter has been made part of the file. (See, Tr. 25).

10. The Board demonstrated proper publication of its Notice of Hearing, on November 10, 2004, in The Weston Democrat, a newspaper published and generally circulated in Lewis County. No members of the public attended the hearing. (See, filing dated December 8, 2004; Tr. 5-6).

CONCLUSIONS OF LAW

1. The public convenience and necessity requires the project for which the Weston Sanitary Board has filed the application herein in order to correct an imminent public health hazard and an operational emergency.

2. The proposed financing is reasonable and should be approved.

3. The project is economically feasible and fully funded, since the Board has a letter of commitment from the West Virginia Infrastructure and Jobs Council for a loan and grant which fully cover the cost of the project. The recently adopted rates, which have been reviewed by Staff, are sufficient to cover the necessary costs associated with the project.

4. The Board should be required to seek Commission approval should the project's plans, scope or proposed financing change for any reason.

5. It is reasonable to adopt the remaining recommendations set forth by Commission Staff in its Final Joint Staff Memorandum filed herein on November 5, 2004, with the exception of the recommendation that the Board must file the required letter from the U.S. Department of Interior, Fish and Wildlife, since the Board has complied with that recommendation and the Board does not object to any of the remaining Staff recommendations.

6. Although several protest letters were filed, no members of the public attended the hearing.

ORDER

IT IS, THEREFORE, ORDERED that the application filed with the Commission on June 24, 2004, by the Weston Sanitary Board for a certificate of convenience and necessity for improvements to its sanitary sewer system, be, and hereby is, granted.

IT IS FURTHER ORDERED that the Weston Sanitary Board's proposed financing for the project, consisting of a $492,000 loan from the West Virginia Infrastructure and Jobs Council, bearing interest at the rate of zero percent for forty years, and a grant of $492,000 from the West Virginia Infrastructure and Jobs Council, be, and hereby is, approved.

IT IS FURTHER ORDERED that, should the scope or financing of the project change for any reason, the Weston Sanitary Board be, and hereby is, required to seek Commission approval before commencing construction.

IT IS FURTHER ORDERED that the Weston Sanitary Board request a copy of its final engineering report, affixed with the stamp of the registered professional engineer, certifying that the contents of the report are the findings of that engineer and are correct as presented, and file that stamped report with the Public Service Commission.

IT IS FURTHER ORDERED that the Weston Sanitary Board provide copies of the bids for the project to the Commission within thirty (30) days of the date of this Order.

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

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

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

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

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

Deborah Yost VanDervort
Administrative Law Judge

DYV:bam
040982ab.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 21st day of June, 2005.

CASE NO. 04-0982-S-CN (Reopened)

WESTON SANITARY BOARD
Petition to reopen.

COMMISSION ORDER

By Recommended Decision entered on January 11, 2005 (Final January 31, 2005), the Weston Sanitary Board (Board) was granted a certificate of convenience and necessity to for improvements to its sanitary sewer system. The Board's proposed financing was also approved, consisting of a $492,000 loan and a $492,000 grant, both from the West Virginia Infrastructure and Jobs Development Council (WVIJDC).

On May 6, 2005, the Board filed a petition to reopen this case for expedited approval of changes to its project scope and funding plan. With regard to the change in project scope, the Board advised the Commission that it intended to eliminate the replacement of an existing 12" sewer along the North bank of Stonecoal Creek with a new 18" sewer. The Board further explained that due to a bid overrun, the project cost has been increased to $1,089,037. An additional $105,037 is therefore required to fully fund the project and has been committed by WVIJDC in the form of a loan, at 0% interest for 40 years (for a final loan amount of $597,037). The Board said there would be no rate impact above the rates already in place.

On May 13, 2005, Commission Staff filed an Initial and Final Joint Staff Memorandum, recommending approval of the Board's petition to accept the additional $105,037 WVIJDC loan.

On May 16, 2005, the Board filed correspondence and concurred with Staff's recommendation.

DISCUSSION

Upon review of all of the foregoing, the Commission finds that the Board's petition should be approved, as filed, including the change in project scope and the acceptance of the additional $105,037 WVIJDC loan at 0% interest for 40 years.

FINDINGS OF FACT

1. By Recommended Decision entered on January 11, 2005 (Final January 31, 2005), the Board was granted a certificate of convenience and necessity for improvements to its sanitary sewer system. The Board's proposed financing was also approved.

2. On May 6, 2005, the Board filed a petition to reopen this case for expedited approval of changes to its project scope and funding plan.

3. Due to a bid overrun, an additional $105,037 is required to fully fund the project and has been committed by WVIJDC in the form of a loan, at 0% interest for 40 years (for a final loan amount of $597,037).

4. According to the Board, there would be no rate impact above the rates already in place.

5. On May 13, 2005, Staff recommended approval of the Board's petition to accept the additional $105,037 WVIJDC loan.

6. On May 16, 2005, the Board filed correspondence and concurred with Staff's recommendation.

CONCLUSION OF LAW

The Board's petition should be approved, as filed, including the change in project scope and the acceptance of the additional $105,037 WVIJDC loan at 0% interest for 40 years.

ORDER

IT IS, THEREFORE, ORDERED that the Weston Sanitary Board's petition to reopen is hereby granted.

IT IS FURTHER ORDERED that Weston Sanitary Board's petition for approval of changes to its project scope and funding plan is hereby approved, including the Board's acceptance of the additional $105,037 WVIJDC loan at 0% interest for 40 years.

IT IS FURTHER ORDERED that in the event of any change to the funding, terms of financing, plans, or scope of the approved project, the Weston Sanitary Board shall petition the Commission to reopen this proceeding for approval of the same.

IT IS FURTHER ORDERED that, upon entry hereof, this proceeding shall be removed from the Commission's active docket of cases.

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

A True Copy, Teste:

Sandra Squire

Sandra Squire
Executive Secretary

TBS/ljm
040982ca.wpd

West Virginia Infrastructure & Jobs Development Council

Public Members:
Russell L. Isaacs, Chairman
Cottageville
Henry Harmon, Vice Chairman
Hurricane
Dwight Calhoun
Petersburg
C. R. "Rennie" Hill, III
Beckley

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

Katy Mallory, PE
Executive Secretary

Katy.Mallory@verizon.net

April 3, 2003

Mr. Jon J. Tucci, Chairman
Weston Sanitary Board
102 West Second Street
Weston, West Virginia 26452

Re: Weston Sanitary Board
Sewer Project 2003S-725

Dear Mr. Tucci:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") has reviewed the Weston Sanitary Board's (the "Board") preliminary application regarding its proposed project to replace the existing gravity sewer along the north bank of Stonecoal Creek, re-route flows in line along the south bank to the north bank line, extend Rt. 33 force main to by-pass Stonecoal Creek lines, replace gravity sewer along the West Fork River and replace the force main along the West Fork River (the "Project").

Based on the findings of the Sewer Technical Review Committee, the Infrastructure Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The Board should carefully review the enclosed comments of the Sewer Technical Review Committee as the Board 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 Board pursue a $1,350,000 Corps of Engineers (COE) grant to fund this $1,800,000 project. Please contact the Corp of Engineers office at 529-5644 for specific information on the steps the Board needs to follow to apply for these funds. The Infrastructure Council has forwarded your application to the COE for its review. **Please note that this letter does not constitute funding approval from this agency.**

The Infrastructure Council also determined the Board may be eligible for an Infrastructure Fund loan of $450,000. However, the Infrastructure Council's final decision regarding specific funding of the Project is deferred pending the Board's readiness to proceed and availability of funds in the Infrastructure Fund. **This letter is not a commitment letter of Infrastructure Funds.** The Project will be placed on the Infrastructure Council's pending list of projects.

The project application requested emergency status per WV Code 31-15A-2. While the project does not meet the definition of an emergency project per 31-15A-2, the WV Department of Health has declared the deterioration of the sewer lines an "imminent public health hazard and a public sewer utility operational emergency".

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

Sincerely,

Russell L. Isaacs

RLI/km
cc: John Yeager, COE
Region VII Planning & Development Council
Kenneth Moran, P.E., Thrasher Engineering, Inc.

West Virginia Infrastructure & Jobs Development Council

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

300 Summers Street, Suite980
Charleston, West Virginia 25301
Telephone: (304) 558-4607
Facsimile: (304) 558-4609

Katy Mallory, PE
Executive Secretary

Katy.Mallory@verizon.net

May 4, 2005

Jon J. Tucci, Chairman
Weston Sanitary Board
102 West Second Street
Weston, West Virginia 26452

Re: Binding Commitment Letter - Revision
Wastewater Upgrade Project 2003S-725a

Dear Mr. Tucci:

The West Virginia Infrastructure and Jobs Development Council (the "Council") has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The Council has reviewed the City of Weston Sanitary Board's (the "City") request for revision to the Council's Binding Commitment letter of November 6, 2003 to the City for financing its sewer upgrade project. At its May 4, 2005 meeting, the Council voted to revise the binding commitment with an additional $105.037 Infrastructure Fund loan (0%, 40 yrs) to cover the additional costs. All other conditions of that November 6, 2003 binding commitment letter remain in effect. A revised Schedule A is enclosed.

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

Sincerely,

Mark Prince

MP/km
Attachments
cc: Samme Gee, Esq., Jackson Kelly
Joe Carney, E. L. Robinson
Tracy Weber, Esq.
Chris Callas, Esq., Jackson Kelly

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

City of Weston Sanitary Board

By:_____

Its: _____

Date:_____

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

City of Weston Sanitary Board
Wastewater Project 2003S-725a
Revised - May 4, 2005

SCHEDULE A

A. Approximate Amount: $ 597,037 Loan
$ 492,000 Grant

B. Loan: $ 597,037

1. Maturity Date: 40 years from date of closing.

2. Interest Rate: 0%

3. Loan Advancement Date(s) Monthly, upon receipt of proper requisition

4. Debt Service Commencement: The first quarter following completion of construction, which date must be identified prior to closing.

5. Special Conditions: None

C. Grant: $ 492,000

1. Grant Advancement Date(s): Monthly, upon receipt of proper requisition and after complete advancement of all IJDC loan funding.

2. Special Conditions: None

NOTICE: The terms set forth above are subject to change following the receipt of construction bids.

D. Total Project Cost: $1,089,037

E. Proposed Rates: approximately $35.42 / 4500 gallons

IC-1
(11/01/04)

LOAN AGREEMENT

THIS LOAN AGREEMENT, made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), acting on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council"), and the governmental agency designated below (the "Governmental Agency").

CITY OF WESTON
(Governmental Agency)

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered upon request of the Council to make loans to governmental agencies for the acquisition or construction of projects by such governmental agencies, subject to such provisions and limitations as are contained in the Act;

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

WHEREAS, the Governmental Agency is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a project, as defined by the Act, and to finance the cost of acquisition and construction of the same by borrowing money to be evidenced by revenue bonds issued by the Governmental Agency;

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

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

WHEREAS, having reviewed the Application and made all findings required by the Act and having available sufficient funds therefor, the Council has authorized the Authority to lend the Governmental Agency the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Governmental Agency with money in the Infrastructure Fund, subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Council's loan program (the "Program") as hereinafter set forth.

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

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

2.4 The Governmental Agency agrees that the Authority and the Council and their duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Governmental Agency further agrees that the Authority and the Council and their duly authorized agents

and representatives shall, prior to, during and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the Council with respect to the System pursuant to the pertinent provisions of the Act.

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

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

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

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

outstanding. Prior to commencing operation of the Project, the Governmental Agency must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

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

2.10 The Governmental Agency shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Governmental Agency shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of this Loan Agreement.

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

(e) The Governmental Agency shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") and the Council necessary for the construction of the Project and operation of the System, with all requisite appeal periods having expired without successful appeal, and the Authority and the Council shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority and the Council, to such effect;

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

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

(h) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof, and the Authority and the Council shall have received a certificate of the accountant for the Governmental Agency,

or such other person or firm experienced in the finances of governmental agencies and satisfactory to the Authority and the Council, to such effect; and

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

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority, the Council or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government, it is hereby agreed that the Authority shall make the Loan to the Governmental Agency and the Governmental Agency shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Governmental Agency shall sell to the Authority and the Authority shall make the Loan by purchasing the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

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

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

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

Fund to purchase all the Local Bonds and that, prior to execution of this Loan Agreement, the Authority may commit to and purchase the revenue bonds of other governmental agencies for which it has sufficient funds available.

ARTICLE IV

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

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Governmental Agency in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows, unless the specific provision or covenant is modified or waived by the Council:

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

(i) to pay Operating Expenses of the System;

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

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

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

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

(b) Covenants substantially as follows:

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

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

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

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

(v) That the Governmental Agency shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued and on any obligations secured by a lien on or payable from the revenues of the System prior to the Local Bonds and with the prior written consent of the Authority and the Council;

provided, however, that additional parity bonds may be issued to complete the Project, as described in the Application as of the date hereof, without regard to the foregoing;

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

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

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

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

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

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

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

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

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

(xv) That, as long as the Authority is the owner of any of the Local Bonds, the Governmental Agency may not redeem any Local Bonds by it without the written consent of the Authority and the Council and otherwise in compliance with this Loan Agreement;

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

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

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

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

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

adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

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

(xxii) That the Governmental Agency shall furnish to the Authority such information with respect to earnings on all funds constituting "gross proceeds" of the Local Bonds (as that term is defined in the Internal Revenue Code of 1986, as amended) from time to time as the Authority may request;

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

(xxiv) That the Governmental Agency shall list the funding provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project; and

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

Council shall also certify that the Governmental Agency is monitoring compliance by its contractors and subcontractors and that the required information has been submitted.

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

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

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

4.4 The Loan shall bear interest from the date and at the rate or rates per annum set forth on Schedule X hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

4.5 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Governmental Agency. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series, as reflected by Schedule X hereto.

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

ARTICLE V

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

5.1 The Governmental Agency hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Governmental Agency hereby further irrevocably covenants and agrees that,

as one of the conditions of the Authority to make the Loan, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System and will take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and in compliance with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof.

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

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

5.4 The Governmental Agency hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Governmental Agency, the Authority may exercise any or all of the rights and powers granted under the Act and State law, including, without limitation, the right to an appointment of a receiver.

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

6.3 Notwithstanding Section 6.2, the Authority may at any time, in its sole discretion, cause the rebate calculations prepared by or on behalf of the Governmental Agency to be monitored or cause the rebate calculations for the Governmental Agency to be prepared, in either case at the expense of the Governmental Agency.

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

6.5 The Governmental Agency hereby agrees to file with the Authority and the Council upon completion of acquisition and construction of the Project a schedule in substantially the form of Amended Schedule B to the Application, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

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

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

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

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

7.10 This Loan Agreement shall terminate upon the earlier of:

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

(ii) termination by the Authority and the Council pursuant to Section 6.1 hereof; or

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

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

CITY OF WESTON

(SEAL)

By: _____
Its: Mayor
Date: June 24, 2005

Attest:

Rebecca J. Pickens
Its: City Clerk

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Director
Date: June 24, 2005

Attest:

Barbara B Meadows
Its: Secretary-Treasurer

000832/00466
05/12/05

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

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

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

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

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

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

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

[SEAL]

_____

By: _____
West Virginia License No. _____

[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 B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

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

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

Ladies and Gentlemen:

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

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

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

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

under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

2. The Loan Agreement inures to the benefit of the Authority and the Council and cannot be amended so as to affect adversely the rights of the Authority or the Council or diminish the obligations of the Governmental Agency without the consent of the Authority and the Council.

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

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

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

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

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

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

Very truly yours,

EXHIBIT C

MONTHLY FINANCIAL REPORT

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

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

_____
Name of Person Completing Form

_____
Address

_____
Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

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

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

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

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

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

EXHIBIT D

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest	$____
Principal	$____
Total:	$____
Reserve Account:	$____

Witness my signature this ___ day of_____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds	$597,037
Purchase Price of Local Bonds	$597,037

The Local Bonds shall bear no interest. Commencing December 1, 2006, principal of the Local Bonds is payable quarterly. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

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

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

1. Sewer Revenue Bonds, Series 1996, dated December 10, 1996, issued in the original principal amount of $1,274,287.

2. Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated December 20, 2000, issued in the original principal amount of $3,192,097.

3. Sewer Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund), dated December 20, 2000, issued in the original principal amount of $6,250,000.

$597,037

City of Weston
40 Years, 0% Interest Rate,
Closing Date: June 24, 2005

Debt Service Schedule

Part 1 of 4

Date	Principal	Coupon	Total P+I
09/01/2005	-	-	-
12/01/2005	-	-	-
03/01/2006	-	-	-
06/01/2006	-	-	-
09/01/2006	-	-	-
12/01/2006	3,851.86	-	3,851.85
03/01/2007	3,851.86	-	3,851.85
06/01/2007	3,851.86	-	3,851.86
09/01/2007	3,851.86	-	3,851.86
12/01/2007	3,851.86	-	3,851.86
03/01/2008	3,851.86	-	3,851.86
06/01/2008	3,851.86	-	3,851.86
09/01/2008	3,851.86	-	3,851.86
12/01/2008	3,851.86	-	3,851.86
03/01/2009	3,851.86	-	3,851.86
06/01/2009	3,851.86	-	3,851.86
09/01/2009	3,851.86	-	3,851.86
12/01/2009	3,851.86	-	3,851.86
03/01/2010	3,851.86	-	3,851.86
06/01/2010	3,851.86	-	3,851.86
09/01/2010	3,851.86	-	3,851.86
12/01/2010	3,851.86	-	3,851.86
03/01/2011	3,851.86	-	3,851.86
06/01/2011	3,851.86	-	3,851.86
09/01/2011	3,851.86	-	3,851.86
12/01/2011	3,851.86	-	3,851.86
03/01/2012	3,851.86	-	3,851.86
06/01/2012	3,851.86	-	3,851.86
09/01/2012	3,851.86	-	3,851.86
12/01/2012	3,851.86	-	3,851.86
03/01/2013	3,851.85	-	3,851.85
06/01/2013	3,851.85	-	3,851.85
09/01/2013	3,851.85	-	3,851.85
12/01/2013	3,851.85	-	3,851.85
03/01/2014	3,851.85	-	3,851.85
06/01/2014	3,851.85	-	3,851.85
09/01/2014	3,851.85	-	3,851.85
12/01/2014	3,851.85	-	3,851.85
03/01/2015	3,851.85	-	3,851.85
06/01/2015	3,851.85	-	3,851.85
09/01/2015	3,851.85	-	3,851.85
12/01/2015	3,851.85	-	3,851.85
03/01/2016	3,851.85	-	3,851.85
06/01/2016	3,851.85	-	3,851.85

$597,037

City of Weston
40 Years, 0% Interest Rate,
Closing Date: June 24, 2005

Debt Service Schedule

Part 2 of 4

Date	Principal	Coupon	Total P+I
09/01/2016	3,851.85	-	3,851.85
12/01/2016	3,851.85	-	3,851.85
03/01/2017	3,851.85	-	3,851.85
06/01/2017	3,851.85	-	3,851.85
09/01/2017	3,851.85	-	3,851.85
12/01/2017	3,851.85	-	3,851.85
03/01/2018	3,851.85	-	3,851.85
06/01/2018	3,851.85	-	3,851.85
09/01/2018	3,851.85	-	3,851.85
12/01/2018	3,851.85	-	3,851.85
03/01/2019	3,851.85	-	3,851.85
06/01/2019	3,851.85	-	3,851.85
09/01/2019	3,851.85	-	3,851.85
12/01/2019	3,851.85	-	3,851.85
03/01/2020	3,851.85	-	3,851.85
06/01/2020	3,851.85	-	3,851.85
09/01/2020	3,851.85	-	3,851.85
12/01/2020	3,851.85	-	3,851.85
03/01/2021	3,851.85	-	3,851.85
06/01/2021	3,851.85	-	3,851.85
09/01/2021	3,851.85	-	3,851.85
12/01/2021	3,851.85	-	3,851.85
03/01/2022	3,851.85	-	3,851.85
06/01/2022	3,851.85	-	3,851.85
09/01/2022	3,851.85	-	3,851.85
12/01/2022	3,851.85	-	3,851.85
03/01/2023	3,851.85	-	3,851.85
06/01/2023	3,851.85	-	3,851.85
09/01/2023	3,851.85	-	3,851.85
12/01/2023	3,851.85	-	3,851.85
03/01/2024	3,851.85	-	3,851.85
06/01/2024	3,851.85	-	3,851.85
09/01/2024	3,851.85	-	3,851.85
12/01/2024	3,851.85	-	3,851.85
03/01/2025	3,851.85	-	3,851.85
06/01/2025	3,851.85	-	3,851.85
09/01/2025	3,851.85	-	3,851.85
12/01/2025	3,851.85	-	3,851.85
03/01/2026	3,851.85	-	3,851.85
06/01/2026	3,851.85	-	3,851.85
09/01/2026	3,851.85	-	3,851.85
12/01/2026	3,851.85	-	3,851.85
03/01/2027	3,851.85	-	3,851.85
06/01/2027	3,851.85	-	3,851.85

$597,037

City of Weston
40 Years, 0% Interest Rate,
Closing Date: June 24, 2005

Debt Service Schedule

Date	Principal	Coupon	Total P+I
09/01/2027	3,851.85	-	3,851.85
12/01/2027	3,851.85	-	3,851.85
03/01/2028	3,851.85	-	3,851.85
06/01/2028	3,851.85	-	3,851.85
09/01/2028	3,851.85	-	3,851.85
12/01/2028	3,851.85	-	3,851.85
03/01/2029	3,851.85	-	3,851.85
06/01/2029	3,851.85	-	3,851.85
09/01/2029	3,851.85	-	3,851.85
12/01/2029	3,851.85	-	3,851.85
03/01/2030	3,851.85	-	3,851.85
06/01/2030	3,851.85	-	3,851.85
09/01/2030	3,851.85	-	3,851.85
12/01/2030	3,851.85	-	3,851.85
03/01/2031	3,851.85	-	3,851.85
06/01/2031	3,851.85	-	3,851.85
09/01/2031	3,851.85	-	3,851.85
12/01/2031	3,851.85	-	3,851.85
03/01/2032	3,851.85	-	3,851.85
06/01/2032	3,851.85	-	3,851.85
09/01/2032	3,851.85	-	3,851.85
12/01/2032	3,851.85	-	3,851.85
03/01/2033	3,851.85	-	3,851.85
06/01/2033	3,851.85	-	3,851.85
09/01/2033	3,851.85	-	3,851.85
12/01/2033	3,851.85	-	3,851.85
03/01/2034	3,851.85	-	3,851.85
06/01/2034	3,851.85	-	3,851.85
09/01/2034	3,851.85	-	3,851.85
12/01/2034	3,851.85	-	3,851.85
03/01/2035	3,851.85	-	3,851.85
06/01/2035	3,851.85	-	3,851.85
09/01/2035	3,851.85	-	3,851.85
12/01/2035	3,851.85	-	3,851.85
03/01/2036	3,851.85	-	3,851.85
06/01/2036	3,851.85	-	3,851.85
09/01/2036	3,851.85	-	3,851.85
12/01/2036	3,851.85	-	3,851.85
03/01/2037	3,851.85	-	3,851.85
06/01/2037	3,851.85	-	3,851.85
09/01/2037	3,851.85	-	3,851.85
12/01/2037	3,851.85	-	3,851.85
03/01/2038	3,851.85	-	3,851.85
06/01/2038	3,851.85	-	3,851.85

$597,037

City of Weston
40 Years, 0% Interest Rate,
Closing Date: June 24, 2005

Debt Service Schedule

Part 4 of 4

Date	Principal	Coupon	Total P+I
09/01/2038	3,851.85	-	3,851.85
12/01/2038	3,851.85	-	3,851.85
03/01/2039	3,851.85	-	3,851.85
06/01/2039	3,851.85	-	3,851.85
09/01/2039	3,851.85	-	3,851.85
12/01/2039	3,851.85	-	3,851.85
03/01/2040	3,851.85	-	3,851.85
06/01/2040	3,851.85	-	3,851.85
09/01/2040	3,851.85	-	3,851.85
12/01/2040	3,851.85	-	3,851.85
03/01/2041	3,851.85	-	3,851.85
06/01/2041	3,851.85	-	3,851.85
09/01/2041	3,851.85	-	3,851.85
12/01/2041	3,851.85	-	3,851.85
03/01/2042	3,851.85	-	3,851.85
06/01/2042	3,851.85	-	3,851.85
09/01/2042	3,851.85	-	3,851.85
12/01/2042	3,851.85	-	3,851.85
03/01/2043	3,851.85	-	3,851.85
06/01/2043	3,851.85	-	3,851.85
09/01/2043	3,851.85	-	3,851.85
12/01/2043	3,851.85	-	3,851.85
03/01/2044	3,851.85	-	3,851.85
06/01/2044	3,851.85	-	3,851.85
09/01/2044	3,851.85	-	3,851.85
12/01/2044	3,851.85	-	3,851.85
03/01/2045	3,851.85	-	3,851.85
06/01/2045	3,851.85	-	3,851.85
Total	**$597,037.00**	**-**	**$597,037.00**

Yield Statistics

Bond Year Dollars	$12,350.37
Average Life	20.686 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	1.34E-10
Bond Yield for Arbitrage Purposes	1.34E-10
All Inclusive Cost (AIC)	1.34E-10

IRS Form 8038

Net Interest Cost	-
Weighted Average Maturity	20.686 Years

SCHEDULE Z

None.

AN ORDINANCE ESTABLISHING A REVISED SCHEDULE OF JUST AND EQUITABLE RATES AND CHARGES FOR THE USE OF AND SERVICES RENDERED BY THE MUNICIPAL SEWAGE SYSTEM OF THE CITY OF WESTON, WEST VIRGINIA, AND PROVIDING FOR THE COLLECTION OF SUCH RATES AND CHARGES: AMENDMENT OF APPLICABLE SECTIONS OF ARTICLE IV, CHAPTER 23, OF THE CODE OF THE CITY OF WESTON

WHEREAS, the City of Weston, in the County of Lewis and State of West Virginia acting by and through the Sanitary Board of the City of Weston, is required to establish rates for said service, to provide an operating gain in an adequate amount to timely meet the retirement of bonds and interest, and to fulfill the provisions of the following ordinances of the City of Weston heretofore duly adopted and ordained;

WHEREAS, it is required and provided by law that just and equitable rates and charges for the use of and the services rendered by such sewage system be established and maintained in order to produce revenues sufficient for the expenses of operation, repair and maintenance of said system, and to pay, when due, the principal and interest of all obligations of said City as may be outstanding from time to time which, by their terms, are payable from the revenue of said system;

WHEREAS, it has been deemed advisable by the Common Council of the City of Weston to establish a revised schedule of rates and charges for the use of and services rendered by said system, in accordance with the provisions of Article 13, Chapter 16, and Section 4b, Article 2, Chapter 24 of the Code of West Virginia (1931 as amended); and

WHEREAS, the City of Weston, acting by and through the Weston Sanitary Board, has conducted and continues to conduct routine maintenance of, service to and replacement of its municipal sewer lines to ensure the continued quality of service provided to its customers.

NOW, THEREFORE, the Common Council of the City of Weston, Lewis County, West Virginia, ordain as follows:

Section 1. There is hereby established a revised schedule of just, reasonable and equitable rates and charges for the use of and services rendered by the municipal sewage system of the City of Weston, West Virginia, which shall be paid by the owner of each and every lot or parcel of real estate, or building connected therewith, served by or using such sewage system as follows:

SEWER SERVICE RATES

The rates and charges shall be based insofar as possible upon the quantity of water supplied each month to the respective premises as the same is measured by the water meter, or meters, therein used. There shall be charged monthly to the rate of owners of each lot or parcel of real estate, or building, for the services of said sewage system, the following rates based upon the water meter readings:

APPLICABILITY

Applicable in the entire territory served, including all current extensions or proposed extensions namely the areas of Homewood, Bendale, Deanville and Jordanville, Lewis County, West Virginia.

AVAILABILITY

Available for general domestic, commercial and industrial sanitary sewer service.

RATES

	Customers in the City of Weston	Customers in the areas Homewood/Bendale Rt. 33, Jordanville/Deanville
First 2,000 gallons used per month	$7.87 per 1000 gallons	$9.53 per 1000 gallons
Next 3,000 gallons used	$7.87 per 1000 gallons	$9.53 per 1000 gallons

per month		
Next 20,000 gallons used per month	$5.74 per 1000 gallons	$7.41 per 1000 gallons
Next 225,000 gallons used per month	$4.93 per 1000 gallons	$6.60 per 1000 gallons
Next 112,500 gallons used per month	$3.47 per 1000 gallons	$5.14 per 1000 gallons

MINIMUM CHARGE

The above schedule is subject to a minimum monthly charge as follows:

a) Weston city customers: rate of $7.87/month/1,000 gallons for a minimum bill of $15.74 for 2,000 gallons.

b) Homewood/Bendale, Rt. 33, Jordanville/Deanville customers: rate of $9.53/month/1,000 gallons for a minimum bill of $19.06 for 2,000 gallons.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full within twenty (20) days of date of bill, ten percent (10%) will be added to the net amount shown.

MULTIPLE OCCUPANCY

Where multiple service is rendered through one water meter, the monthly sewer bill shall be not less than the minimum charge provided for above, multiplied by the number of families, apartments, residences, stores, offices, mobile homes (house trailers), or other units receiving water service from such meter.

UNMETERED USERS

a) In locations within the municipal boundaries of the City of Weston where the residential customer has no water meter, charges for sewer service shall be a flat monthly charge of Thirty Five and 40/100ths Dollars ($35.40) per connection to the sewer facilities.

b) In locations outside the municipal boundaries of the City of Weston where the residential customer has no water meter, charges for sewer service shall be a flat monthly charge of Forty Two and 90/100ths Dollars ($42.90) per connection to the sewer facilities.

This is based upon the national average residential water usage of 4500 gallons a month.

SEWER CONNECTION (TAP) FEE

A connection charge of One Hundred Fifty Dollars ($150.00) shall be collected from every new user of the City of Weston's sewer facilities unless specifically waived by agreement of the parties.

BULK RATE

The West Virginia Water Company shall be furnished sewer service at the rate of Twenty Eight Thousand Fourteen Dollars ($28,014.00) per annum, payable at the rate of Two Thousand Three Hundred Thirty Four and 50/100ths Dollars ($2,334.50) per month.

WATER DISCONNECTION AND RECONNECTION FEE

A disconnection fee of water service requested by the Weston Sanitary Board in the case of nonpayment of sewer service charges imposed by this ordinance shall be $20.00 and the reconnection fee of water service upon the payment of delinquent sewer service charges shall be $20.00.

In the event that a building or premises discharging sewage, water or other liquid waste into the municipal sanitary sewer system uses water supplied on other than a metered basis, the owner, or occupant, may be required to cause a water meter or other measuring device to be installed.

SPECIAL CHARGES

In the event that the sewage, water or other liquid waste being discharged into the sanitary sewers from any building, or premises, is determined by the City to contain unduly high concentrations of any substances which add to the operating costs of the sewage system of said City, then the City may establish special rates and charges as to such class of buildings or premises, or the City may require the owners, or other interested parties, to specially treat such sewage, water or other liquid waste before it is discharged into the municipal sanitary sewer system, at the user's sole cost and expense.

PAYMENT OF SEWER SERVICE CHARGES

Section 2. All bills for sewer service shall be rendered monthly and shall be deposited in the "Sewer Revenue Fund" created and being maintained pursuant to the ordinance adopted June 16, 1958, authorizing the outstanding Sewer Revenue Bonds, dated June 1, 1958, of said City, and the ordinance authorizing the issuance of the Sanitary Sewer Revenue Bonds, dated 1969. No free services of said municipal sewer system shall be allowed or permitted.

Section 3. Responsive to Section 16, Article 13, Chapter 16, of the Code of West Virginia, the rates and charges for the use of and services rendered by the municipal sewage system shall be paid by or on behalf of the owner of each and every lot or parcel of real estate, or building connected with, served by, or using said sewage system, and the amount of all such rates and charges, if not paid when due, shall be a lien upon the premises, served by such system, and if the bill for such rates and charges is not paid within thirty (30) days after due, it shall be deemed delinquent and the amount thereof

shall be recovered by the Sanitary Board of the City in a civil action in the name of the City, together with a penalty of ten percent (10%), and a reasonable attorney's fee, and as a part of such action, the lien aforesaid may be foreclosed in due course against the lot or parcel of land or building charged with the amount due in accordance with the law relating to the enforcement of such liens, provided, however, if any bill for sewer service rates and charges is directed to a party other than the owner of the lot or parcel of real estate, or building connected with, served by or using the municipal sewage system, then in the event any such bill shall not be paid within the allotted time and shall become delinquent, the Sanitary Board shall mail such delinquent bill to the owner of such lot or parcel of real estate, or building at the last known address of such owner, together with a notice that such owner is the party charged by law with the liability for the payment of same, and if such bill is not paid within thirty (30) days after such mailing, the amount thereof shall be recovered by the Sanitary Board, together with the penalty aforesaid, and a reasonable attorney's fee as in the case of other delinquent bills, and as a part of such action the lien aforesaid may be foreclosed in due course against the lot or parcel of land, or building charged with the amount due in accordance with the laws relating to the enforcement of such liens. The foregoing sewer service rates and charges shall be put into effect and collected from and after the effective date hereof as hereinafter provided in Section 7.

The aforesaid schedule of rates and charges for sewer services and the basis for computing or opposing the same shall be revised from time to time as may be required and provided by law or by the respective ordinances authorizing the issuance of said Sewer Revenue Bonds and Sanitary Sewer Revenue Bonds hereinbefore referred to.

Section 4. That this ordinance, having been introduced at a meeting of the Common Council of the City of Weston, on the 6th day of July, 2004, and the proposed revision, change or readjustment of rates being substantially pro-rata as to all classes of service, no hearing or notice of the adoption of this ordinance is required by Section 16, Article 13, Chapter 16 of the Code of West Virginia (1931 as amended); however, notwithstanding the foregoing and in compliance with Section 13, Article 13, Chapter 8 of the Code of West Virginia (1931 as amended) this ordinance shall be published as a Class II legal advertisement in a newspaper of general circulation in Lewis County, West Virginia in compliance with the provisions of Article 3, Chapter 59 of the Code of West Virginia (1931 as amended); notice of the proposed adoption hereof shall likewise be published as a Class I-0 legal advertisement in compliance with the provisions of Article 3, Chapter 59 of the Code of West Virginia (1931 as amended) as provided in Section 4 (a) (2), Article 11, Chapter 8 of the Code of West Virginia (1931 as amended); and pursuant to the provisions of Section 4b (b), Article 2, Chapter 24 of the Code of West Virginia (1931 as amended), that notice of intent to effect the aforesaid rate change be specified in the monthly billing statement of all users for the month next preceding the month in which the rate change is to become effective and that a copy of this rate ordinance shall be clearly placed and marked for viewing in the Weston City Building.

Section 5. If any clause, provision or section of this ordinance be ruled void or unenforceable by a Court of competent jurisdiction the remainder thereof is intended to be enacted and shall be in force and effective notwithstanding any ruling or judgment aforesaid.

Section 6. That all ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this ordinance are, to the extent of such conflict, hereby repealed, and further, that the terms and provisions of Article IV, Chapter 23, of Weston City Code are repealed insofar and insofar only as they are in conflict with any particular section, or sections, of this ordinance and no further.

Section 7. In accordance with the provisions of Section 4(b), Article 2, Chapter 24 of the Code of West Virginia the rates and charges imposed by this ordinance shall not be effective sooner than forty-five (45) days after adoption.

Passed on First Reading: July 6 , 2004

Passed on Second Reading: August 2 , 2004

Effective date: , 2004

Barbara Blake, City Clerk

BARBARA BLAKE, CITY CLERK

OFFICIAL SEAL
STATE OF WEST VIRGINIA
NOTARY PUBLIC
VICKIE L. McCALL
208 McCALL ROAD
JANE LEW, WV 26378
My Commission Expires April 11, 2012

Vicki McCall

City of Weston
102 West Second St
Weston WV 26452
Phone 304-269-6141- Fax: 269-7842-TTY: 304-269-2413

Jon J. Tucci, Mayor
Dan Minney, City Manager

Regular Council Meeting
July 6, 2004, 7:00 p.m.
Lewis County Senior Center

The Common Council of the City of Weston held a regular meeting on Tuesday, July 6, 2004, at the Lewis County Senior Center. Due to the July 4th holiday, the meeting date was changed to Tuesday, July 6, 2004. Mayor Jon Tucci called the meeting to order.

Roll Call

Present at the meeting were: Mayor; Jon Tucci, Councilman; Dick John, Councilwoman; Ella Clem, Councilwoman; Betty Brooks, Councilman; Charlie Hathaway, City Attorney; Tracey Weber III, Chief of Police; Robbie Clem, Street Commissioner; Bob Atchison, Building Inspector; John Hogan, Fire Chief; Mike Young, City Manager; Dan Minney, and City Clerk; Barbara Blake.

Approval of Minutes

Councilman Charlie Hathaway noted corrections to the minutes of June 3, 2004 as follows: (1) On page #2 when discussing the Christmas Party where it states in the past that Council provided the major food items, it should be clarified that it does not come out of City money. (2) On page #5, the 3rd line down, it says Seventh Street North on Locust to Main Street. That should be either Brown Avenue or 8th Street. (3) On page #6 on the Gold Dollar Days it should clarify what meters were to be covered. (4) On page #6 under old business, it says Dan Minney stated that no alternate routes appear to be available. Mr. Hathaway noted there were 2 other routes, but they were not feasible. (5) On page #9 under Ward IV, Councilman Hathaway noted that the weeds need to be cut at the end of Lee Street and from that point on mark out between Mrs. Jeffries property and Garton Plaza, and insert on property owned by Garton Realty Plaza, which joins Mrs. Jeffries property.

Councilwoman Betty Brooks made a motion to **approve the Minutes of June 7 with the corrections**, seconded by Councilman Dick John. Motion carried with 4 aye votes and 0 no aye vote.

Councilwoman Betty Brooks noted the following corrections for the minutes of June 11, 2004: (1) On the 1st paragraph of the 1st page, 15th word should read on. Councilman Dick John stated he was not present at that meeting, and was therefore added to the corrections by Councilwoman Brooks.

Councilwoman Ella Clem made a motion to **accept the minutes for June 11, 2004 with corrections**, seconded by Councilman Dick John. Motion carried with 4 aye votes and 0 no aye votes.

Councilwoman Betty Brooks noted the following corrections for the minutes of June 24, 2004 as follows: (1) 4th & 6th paragraphs are a duplicate of the motion on page #1.

Councilman Charlie Hathaway made a motion to **approve the minutes of June 24, 2004 with corrections**, seconded by Councilwoman Betty Brooks. . .

Treasurer's Report

Councilwoman Betty Brooks made a **motion to table the treasurer's report** for May & June due to the absence of a finance manager. Mayor, Jon Tucci and City Manager, Dan Minney discussed the need to maintain City business on a daily basis.

Councilman Dick John made a motion to enter **executive session** regarding the finance office at 7:20 p.m., seconded by Councilwoman Ella Clem. Motion carried with 4 aye votes and 0 no aye votes.

Councilman Charlie Hathaway made a motion to come out of executive session at 7:40 p.m., seconded by Councilman Dick John.

Councilwoman Betty Brooks made a motion to **appoint Kathy Ames** as the new finance manager for the City of Weston, seconded by Councilman Dick John. Motion carried with 4 aye votes and 0 no aye votes.

Councilwoman Betty Brooks made a motion for City Clerk, Barbara Blake to have her signature on **the signature cards** for the City for a temporary time, seconded by Councilman Dick John. Motion carried with 4 aye votes and 0 no aye votes.

Councilman Charlie Hathaway requested to **return to the approval of the treasurer's report** for June. Since there is no actual treasurer's report to approve, the report provided by the City Manager on the current financial operations was approved to continue business for the fiscal year of 2004/2005, seconded by Councilwoman Ella Clem. Motion carried with 4 aye votes and 0 no aye votes.

Department Reports

Fire

Fire Chief, Mike Young reported that the **hard drive to his computer "crashed",** but they were in the process of salvaging data from it and therefore no report was enclosed in the meeting packet and he is unable to submit reports to the state at this time. He noted that they would still need a computer when Council has the financial ability to replace one, and that he would no longer require two.

Fire Chief, Mike Young stated his appreciation to those Council members and others who attended the **4th of July festivities,** and showed support for the Fire Department.

Chief Young also noted that after the parade on the 4th of July, the **new County engine** (which is also the secondary engine for the City) is back in the station and is now fully in service.

Chief Young addressed Council regarding the need to send 3 officers to the **State Fire School,** which is held in August of each year and noted that the state has increased the fees and regulations this year. Councilwoman Betty Brooks made a motion to approve $350.00 to send three of the firemen to the State Fire School, seconded by Councilwoman Ella Clem. Motion carried with 3 aye votes and 1 no aye vote by Councilman Charlie Hathaway.

Police

Chief of Police Robbie Clem reported to Council on the following matters:

1) A formal complaint was received regarding **dogs running loose in Shadybrook.** It was investigated, and a citation was given for dog at large. Shortly after, he was given a letter to have the dogs out of the area within 10 days, and the time will be up on Thursday July 10, 2004. Chief Clem noted he was also working with animal control within the County to review other avenues of dealing with the issue.

2) Chief Clem addressed the concern of some citizens, regarding people walking their dogs and allowing the feces to remain in the yards of homeowners. At this point there is no ordinance in place or in the codebook, which would allow the officers to do anything about this. Councilman Charlie Hathaway made a motion that the City Attorney be requested to **draft an ordinance concerning the animals and feces** similar to the one used by Clarksburg and present it at the next meeting, seconded by Councilwoman Ella Clem. Motion carried with 4 aye votes and 0 no aye votes.

3) According to Chief Clem, anyone 15 years or younger must use a helmet while riding a bicycle and clarified that the bicycles are not to be ridden on the sidewalks as they are for pedestrian use only. Chief Clem stated that a $15.00 fine can be given to anyone not adhering to the **codes regarding bicycles,** and that the officers would be enforcing the codes as well as those pertaining to the curfew.

4) Chief of Police, Robbie Clem addressed Council regarding the **ROCIC Training Program** scheduled for October 16-19, 2004. Councilman Charlie Hathaway made a motion to allow Chief Clem to participate in the training at the City's expense, seconded by Councilman Dick John. Motion carried with 4 aye votes and 0 no aye votes.

5) Council reviewed the need for a **handicapped parking space for Alfred Fisher.** Chief Clem stated that he had looked into the matter, and he felt Mr. Fisher is in need of a handicapped space. He did note; however, that he felt it would not be feasible for the pedestrians walking by to put it where Mr. Fisher had requested. Due to the fact that Chief Clem has been unable to contact Mr. Fisher regarding this matter, Councilman Charlie Hathaway made a motion to table the issue, seconded by Councilwoman Ella Clem. Motion carried with 4 aye votes and 0 no aye votes.

6) Chief Clem discussed the issue of obtaining a **vehicle immobilizer (boot)** to help collect funds from unpaid fines, which now ranges at approximately $60,000.00. The

approximate cost of the "boot" would be approximately $450.00 - $500.00, and Chief Clem noted that Clarksburg and Morgantown both use this method with a high success rate. The current method used by Morgantown includes payment of the fine as well as an installation charge for placing the boot on the vehicle. Councilwoman Betty Brooks made a motion to have City Attorney, Tracey Weber III to draft an ordinance for the vehicle immobilizer, seconded by Councilman Charlie Hathaway. Motion carried with 4 aye votes.

Councilwoman Ella Clem made a motion to **accept the police report**, seconded by Councilman Charlie Hathaway. Motion carried with 4 aye votes and 0 no aye votes.

Street Department

Council reviewed the need issue of making **Locust Street** one-way, and decided to investigate it more thoroughly and to see if a previous resolution was made regarding the matter. Councilman Charlie Hathaway made a motion to table the issue, seconded by Councilwoman Ella Clem. Motion carried with 4 aye votes and 0 no aye votes.

Street Commissioner, Bob Atchison requested permission from Council to move his present office to the front of the building, and approval was given. Commissioner Atchison also inquired if Council would like to **fill the vacant position** in his department.

Discussion ensued and it was determined that the position should be filled as soon as possible, and to advertise for one week.

Councilwoman Betty Brooks made a motion to **approve the street department report**, seconded by Councilwoman Ella Clem. Motion carried with 4 aye votes and 0 no aye votes.

Council then reviewed some previous issues on **street cleaning**, concerns regarding the drain problems on **Henry Street**, and the funds the City was to receive on the **McGary Project**.

Building Inspector

1) Building Inspector, John Hogan discussed the **new forms and fees** for building permits he wishes to present to Council in the future, which will help to increase revenue for the City. John Hogan went into further detail with regards to commercial permits vs. residential permits, and the benefits the City would receive by modifying the permits.

2) Building Inspector, John Hogan also discussed the issue regarding **dilapidated buildings** within the City. Inspector Hogan is looking into the legal concerns for tearing down the dilapidated buildings, and stated it would fall under a 60-day appeals process for which a Building Code Board of Appeals would be needed.

3) Inspector Hogan, stated he would be available in the office of City Hall on Wednesdays, from 8:00 a.m. - 4:00 p.m.

4) Building Inspector, John Hogan noted that all commercial property must submit a **registered set of plans** to have on hand. Councilwoman Brooks inquired if Mr. Hogan had a computer available to him, to which he stated he was using his own. City Manager, Dan Minney stated that part of the money allotted for the Building Inspector in the 2004-2005 budget could be used to purchase a computer for Mr. Hogan.

Sanitary Board

Mayor Jon Tucci, as Chairman of the Sanitary Board, noted that the **plant is functioning properly** and they are trying to make repairs as they can. He reminded those in attendance that the Sanitary Board holds a meeting the second Monday of each month at 6:00 p.m. at the City Building if anyone wishes to attend.

Cemetery Board

No report.

911 Advisory Board

Councilwoman Betty Brooks commented that the City of Weston would need $9,000.00 within the next 6 months to obtain supplies needed to work with the **CAT system**. Chief Clem elaborated on the CAT system, and how it would work with the emergency services. The funding was not budgeted due to an understanding with Sheriff Rinehart that the money would be made available to the City. Councilwoman Betty Brooks noted that Bill Rowan would have the specifics on the equipment required to participate with this program, and that it would be mandatory in the near future.

Citizen's Report

Buddy Williams addressed Council regarding **dogs running loose** in his neighborhood. He stated that he was in Georgia when the incident being referenced occurred, but reported that the issue "came to a head" when Dick (referencing Councilman Dick John) and his son and daughter get all three dogs together it is a problem. He did note that when it is just Dick's dog "Abby" it doesn't seem to be a problem. Mr. William's stated that he has asked that this issue be taken care of for the past 2 years, especially when all of the dogs are together, and that a few weeks ago his grandson was bit by Mike John's dog "Squiggles". Mr. Buddy Williams also stated that because he was making an issue of this matter, that Toby Pritt (the next door neighbor), Mary (next to Mr. Williams), and the "new kid" that moved into Dick's rental house won't hardly speak to him. He asked Council to explain why he was being made out as "the bad guy", and specifically inquired of Councilman Dick John. Councilman Dick John stated he had nothing to say. After some discussion, Mayor Jon Tucci inquired what it is that he wishes Council to do regarding this issue. Mr. Buddy Williams commented that he would like Council to "get control of the dog problem, especially on Cottage Avenue". Chief of Police, Robbie Clem will look into the situation.

Betty Mick addressed Council regarding an alley dispute. Ms. Mick stated that her goal was to get the alley back to where it is accessible for everyone to get in and out easily, including emergency vehicles. She commented that an attempt has been made to block the alley with trees, bushes, and four inches of blacktop. Ms. Mick read from Weston City Code, 25-3 item B, regarding absorption of City property. Some discussion ensued regarding the bushes (which were removed already), a stump which is on the property line, and approximately 4 inches of blacktop which extends approximately 4 feet into the alley way. Mayor Jon Tucci explained that this would be a Civil Suit that the City does not need to be in. City Attorney, Tracey Weber III advised Ms. Mick that she has not shown any evidence of encroachment, and that if she has a problem with the neighbors she needs to take it to the Circuit Court. After further discussion, it was determined that Councilman Dick John and Street Commissioner, Bob Atchison would look into the issue of the tree stump and any remaining bushes. Mayor Tucci reminded Ms. Mick that it was a long agenda, and that her time was up.

Brenda Reed announced that the **raffle of the afghan was a success**, and the necessary $200.00 was raised to help in purchasing a decimeter for the City Police Department. She then held a drawing with Mayor Tucci and Chief of Police, Robbie Clem assisting with Mayor Tucci drawing the winning ticket as St. Patrick's Church.

Jim Bandy reported to Council on the status of the **Youth Activity Center**, commenting that it would actually be the Weston Community Center, which would include a youth activity center. The Center would be located at the old Andrew's Garage on the corner of 1st and Main, and according to Mr. Bandy, could be up and running by Fall of this year. Mr. Bandy commented that after speaking with Doug Stalnaker, it is now necessary for the City to contribute the $2,500.00 to the feasibility study in order to move forward on this matter.

Shelly Posey discussed **noise concerns** regarding the use of jake brakes within the City. She inquired of City Attorney, Tracey Weber III as to whether the current city ordinance included specific restrictions on the use of jake brakes, and if not one could be created. Ms. Posey commented that she felt it caused structural damage, was unnecessary noise pollution, and was very intimidating to any pedestrians at a crosswalk. She also noted that she did not believe there should be any time limits, but that it should simply be voided in the City limits with signage as you come into town. City Attorney, Tracey Weber III stated he would make the necessary revisions and submit them for Council to take further action.

Roger Gaines was not available to discuss the issue on **doublewides/modulars** within the city; however, Building Inspector, John Hogan reviewed the matter with Council. Building Inspector, John Hogan commented that the City of Weston does not have an ordinance for doublewides or modulars, and during the transition period a modular home was put in on North River Street. Mr. Hogan did inspect the property and determined

that he did it according to code, because he was not in the flood plain or floodway. Building Inspector, John Hogan stated that in the past it has been enforced under the BOCA Code, where it becomes an issue of authority having jurisdiction. Former Building Inspector, Mike Young elaborated on the issue, and stated that under the City code nothing that moves on wheels (with regard to housing) is allowed to be brought into the City of Weston. In the past, with authority having jurisdiction as the building official, doublewides were permitted as long as they were on a full perimeter block foundation.

Old Business

Councilwoman Betty Brooks made a motion to **enter into executive session** at 9:17 p.m. regarding a lawsuit issue, seconded by Councilwoman Ella Clem. Motion carried with 4 aye votes and 0 no aye votes.

Councilman Charlie Hathaway made a motion to **come out of executive session** at 9:20 p.m., seconded by Councilwoman Betty Brooks. Motion carried with 4 aye votes and 0 no aye votes.

Councilwoman Betty Brooks inquired when the riverbanks in Shadybrook & Haleville would be cut again. Councilwoman Ella Clem also inquired about the banks at Polk Creek. Street Commissioner, Bob Atchison stated he would get started on that project.

Councilwoman Betty Brooks addressed her concern regarding the current speed limit on City Streets. Discussion ensued regarding making all City streets a 15 M.P.H. speed limit vs. all dead end streets. Councilwoman Betty Brooks made a motion to have City Attorney, Tracey Weber III to prepare a resolution for all dead end streets in the City to be a 15 M.P.H. speed limit, seconded by Councilman Charlie Hathaway. Motion carried with 4 aye votes and 0 no aye votes.

Councilwoman Betty Brooks inquired if a letter had been prepared from the **Kinsley Lloyd Resort Group** regarding the annexation agreement, or a letter prepared by City Attorney Weber stating Council's support for the project, which did not include the gaming issue. City Manager, Dan Minney commented that perhaps the timing was not good for addressing this issue with the Mountaineer Group, LLC. Mayor Jon Tucci announced that there would be three informative town meetings within the next two weeks, regarding the project, the plans for it, and to address questions from the public regarding the resort and the gaming issue.

Councilman Charlie Hathaway addressed the need to have a **work session** to finish reviewing the proposed personnel policy and job descriptions. Council set the date for July 29, 2004 at 5:30 p.m.

New Business

Councilwoman Betty Brooks stated she would like to pass on the **parking issues** as it has already been taken care of.

Councilwoman Betty Brooks inquired if it would be possible to do some more **patching** on the City streets this year. City Manager, Dan Minney commented that it was a matter of timing and manpower.

Councilwoman Betty Brooks noted that we need an exit interview with Teed and Associates for the 2001-2002 & 2002-2003 **audits**, and that bids should be taken for the audit for 2003-2004. Councilman Charlie Hathaway stated that the audit for 2000-2001 is complete, 2001-2002 audits are complete but we need an exit interview with Teed and Associates out of Charleston, the audit for 2002-2003 Teed was chosen but they overbid the WV code. Councilman Charlie Hathaway then recommended that the City Clerk contact Charlie McKenny who oversees the City audits with the state tax commissioner to have them do the audit at the allowed price. Councilwoman Brooks stated that due to the recent changes in administration, and the recent election of Council in 2003, that the audit is important to the City.

Councilman Charlie Hathaway made a motion that the City engage the exit interview for 2000-2001, 2001-2002 audits with Rick Barnett with Teed and Associates out of Charleston, and to contact the state tax commissioner Charlie McKenny for the 2002-2003 audit, seconded by Councilwoman Betty Brooks. Motion carried with 4 aye votes

and 0 no aye votes. Councilwoman Betty Brooks requested a copy of the 2002-2003 audits provided to City Manager, Dan Minney by Mayor, Jon Tucci be given to Council.

Council discussed the **WV Development Grant** of $50,000.00 and reviewed the fact that it did not exist, therefore; Council passed on the issue.

Councilwoman Betty Brooks stated that at some point, possibly October of 2003, Council had requested to have the **packet information** no later than 2:00 – 3:00 on the Thursday preceding the meeting in order to have Friday as a work day to make any corrections. Councilwoman Betty Brooks made a motion to have the packets go out on Thursday before the meeting, no later than 3:00 p.m. and the department heads will submit their reports no later than 10:00 a.m. on Thursday for inclusion in the packet, seconded by Councilman Dick John. Motion carried with 4 aye votes and 0 no aye votes.

Councilman Charlie Hathaway commented that we had some outstanding citizens doing some City work, and noted that they did an outstanding job. Councilman Charlie Hathaway made a motion to **recognize the search committee** for a job well done by presenting a plaque or certificate of appreciation, seconded by Councilman Dick John. Motion carried with 4 aye votes and 0 no aye votes.

Administrative and Ward Reports

City Manager – Dan Minney

City Manager, Dan Minney requested a **postage meter** for use at City Hall, after some discussion of the issue Mr. Minney chose to pass on the matter. City Manager, Dan Minney also spoke on the following matters:

1) 2nd quarter B&O tax forms and business license renewal applications were sent out.
2) The McGary Project is complete.
3) We are preparing to send out the municipal billings.
4) The Hale Street Grant was carried over into the 2004-2005 fiscal period at the grant office.
5) There will be a public meeting July 7, 2004 on mapping and addressing issues to facilitate emergency response.

Finance Manager – No report

City Attorney – Tracey Weber III

1) City Attorney, Tracey Weber III spoke to Council regarding the Weston Sanitary Boards first reading of the rate increase ordinance. Attorney Weber commented that for the past 5 years there has been no increase, but that they are now faced with the problem of correcting the infiltration problems of the City lines in town (mostly the dual lines going down the West Fork). Attorney Weber noted that the 15% increase is necessary to help pay the bond debt that will be coming due. Attorney Weber requested City Clerk, Barbara Blake to read the heading of the ordinance by caption. After the first reading, Attorney Weber will request Council to approve the ordinance on the first reading only, it will then be published as a class one legal advertisement in the Democrat, a public hearing will be set ½ hour before the next meeting, then approval will be sought at the second reading and a final reading at the regular meeting.

Councilwoman Brooks inquired if the matter could be tabled till the next meeting to allow Council time to review it. Attorney Weber commented that they are on a tight order to keep the budget going with the governing body and the funding project. Attorney Weber then requested City Clerk, Barbara Blake to read the ordinance by caption:

AN ORDIANANCE ESTABLISHING A REVISED SCHEDULE OF JUST AND EQUITABLE RATES AND CHARGES FOR THE USE OF AND SERVICES RENDERED BY THE MUNICIPAL SEWAGE SYSTEM OF THE CITY OF WESTON, WEST VIRGINIA, AND PROVIDING FOR THE COLLECTIONS OF SUCH RATES AND CHARGES: AMENDMENT OF APPLICABLE SECTIONS OF ARTICLE IV, CHAPTER 23, OF THE CODE OF THE CITY OF WESTON.

Councilman Charlie Hathaway made a motion that Council **accept the ordinance** on the 1st reading, seconded by Councilwoman Ella Clem. A vote was then taken by ward

with the following response: Ward I - Yes, Ward II – Yes, Ward III – No, Ward IV - Yes. Motion carried with 3 aye votes and 1 no aye vote.

Ward I – Dick John: Nothing to report.

Ward II – Ella Clem: Councilwoman Ella Clem commented on the following complaints she has received for her ward. 1) At 707 W. Second Street, trees and flowers have been planted which block the view when coming out of Carl Street onto West Second Street. 2) On Fall Street behind Coke & Float there is a main sewer leak and the ditch needed cleared of debris and grass. 3) There is a streetlight out at Gee Lick and West Second Street

Ward III – Betty Jo Brooks: Councilwoman Betty Brooks extended her appreciation to the town of Jane Lew for the invitation to the Veteran's Memorial service.

Ward IV – Charles Hathaway: Councilman Charlie Hathaway extended his appreciation to one of the officers and his partner for answering a call when they were needed. He noted they were very professional and knowledgeable, and handled the situation well and that he was proud of our policemen.

City Clerk – Barbara Blake: Mrs. Blake noted that the corrections previously mentioned for the minutes of June 11, 2004 and June 24, 2004 were not accurate. Councilman Dick John was present for the June 11, 2004 meeting and the repetition of the motion of June 24, 2004 was necessary to record the actual motion. Councilwoman Betty Brooks made a motion to edit the minutes of June 11, 2004 and June 24, 2004, seconded by Councilman Charlie Hathaway. Motion carried with 4 aye votes and 0 no aye votes.

Mayor – Jon Tucci: Mayor Tucci reminded all in attendance of the annual Municipal League Conference held August 11 & August 14, 2004 and suggested that the City Manager and any members of Council who would like to attend should.

Adjourn

Councilman Dick John made a motion to adjourn, seconded by Councilwoman Ella Clem. Motion carried with 4 aye votes and 0 no aye votes.

Jon Tucci, Mayor

Barbara Blake, City Clerk

City of Weston
102 West Second St
Weston WV 26452
Phone 304-269-6141- Fax: 269-7842-TTY: 304-269-2413

Jon J. Tucci, Mayor
Dan Minney, City Manager

Regular Council Meeting
August 2, 2004, 7:00 p.m.
Lewis County Senior Center

The Common Council of the City of Weston held a regular meeting on August 2, 2004, 7:00 p.m. at the Lewis County Senior Center. Mayor Jon Tucci called the meeting to order.

Roll Call

Present at the meeting were: Mayor; Jon Tucci, Councilman; Dick John, Councilwoman; Betty Brooks, Councilman; Charlie Hathaway, City Manager; Dan Minney, Attorney; Tracey Weber Jr., Chief of Police; Robbie Clem, Street Commissioner; Bob Atchison, Fire Chief; Mike Young, Attorney; Tracey Weber Jr., Finance Manager; Vickie McCall, and City Clerk; Barbara Blake. Absent were Councilwoman, Ella Clem, Building Inspector, John Hogan, and City Attorney, Tracey Weber III.

✓ Mayor Jon Tucci introduced Chris Callas and Stephanie Mullett, representatives of Jackson & Kelly, who held a **public comment hearing** on the proposed increase of sewer rates. Chris Callas led the discussion which informed the public of the proposed **15% sewer rate increase**, and took questions from the public and Council. The following topics were discussed:

- Bill Brooks commented that the rate increase was too high at 15%. He noted that individuals of the town were on fixed incomes, and his annual pay increase is only 3% yet he is expected to pay a 15% increase to eliminate the waste.
- Ruby Christy commented that a majority of the people in Weston are on Social Security and the increase received is only 2%.
- Brenda Reed questioned how the board arrived at the 15% increase, rather than perhaps 7% or 3%. Mayor Jon Tucci explained that the rate is based on what the public service allows you to adjust for. Chris Callas further explained that every utility has a cost of service, and public service law requires that the utilities maintain revenues that are sufficient to meet it's cost of service.
- Councilwoman Brooks inquired why the financial report was not published annually, and Mr. Callas suggested speaking to the Sanitary Board regarding that matter.
- Shelly Posey inquired if there are any other ways to obtain the funding without taking the money from the citizens. Mr. Callas discussed some cost saving efforts currently underway.
- City Manager; Dan Minney, stated the monthly deficit at this point is approximately $20,000.00 for the past year to year and one half. Mr. Callas noted the annual operating revenue as of June 30, 2003 is $975,000.00, and the going level revenue is $1,022,000.00.
- Jim Bandy inquired if the expenditures were cut, would the percentage of the increase also be less. Mr. Bandy also inquired about combining the WVAWC and the Sanitary Board, which Mayor Tucci stated had already been discussed.
- Larry Skinner inquired if the savings process was discussed with Harris & Co. CPA who performed the study in regards to combining the Water and Sewer billing, and also of moving the Sanitary Board back to the City Building. Mayor Tucci commented that the Sanitary Board has discussed the issue many times, and found that the figures were not accurate on savings to let the water company take over the billing process, and the Board decided not to go that route.
- Brenda Reed asked if Mr. Vickers would be asked back to review the numbers, and Mayor Tucci stated "not at this time".

Having no further comments from the public, Mayor Tucci closed the public hearing. Mayor Tucci noted he had moved the reading of the ordinance up on the agenda to accommodate the attorneys who had traveled from Charleston.

City Clerk, Barbara Blake then read by caption, the **second reading of the ordinance** of the proposed sewer rate increase.

AN ORDIANANCE ESTABLISHING A REVISED SCHEDULE OF JUST AND EQUITABLE RATES AND CHARGES FOR THE USE OF AND SERVICES RENDERED BY THE MUNICIPAL SEWAGE SYSTEM OF THE CITY OF WESTON, WEST VIRGINIA, AND PROVIDING FOR THE COLLECTIONS OF SUCH RATES AND CHARGES: AMENDMENT OF APPLICABLE SECTIONS OF ARTICLE IV, CHAPTER 23, OF THE CODE OF THE CITY OF WESTON.

Councilman Charlie Hathaway made the motion that **the ordinance be passed on the second reading,** seconded by Councilman Dick John. Motion carried with 2 ayes and 1 no aye vote with Wards I and IV voting yes, and Ward III voting no. Councilwoman Brooks, Ward III further stated that she voted no because she could understand a 5-9% increase due to discussion from the meeting and information she received from citizens, but could not agree with the 15% increase.

Mayor Tucci gave **recognition to the search committee** for the services provided by them, and noted that a certificate of appreciation was available for the following members: Margie Brown, Pat Minehardt, Bob Nicholson, Patricia Kiddy, Clyde Ackley, and Jean Bennett.

Approval of Minutes

Councilwoman Betty Brooks made a motion to **approve the minutes of July 6, 2004** with the following corrections: (1) 1st page 1st paragraph should read due to July 4th Holiday meeting date was changed to Tuesday, July 6th (2) Page 2 under fire 3rd paragraph after parenthesis should read is back in the station (3) Page 7 under new business 5th paragraph should read the instead of that (4) Page 8 under Ward II last sentence instead of need should read needed. Councilman Charlie Hathaway seconded the motion. Motion carried with 3 aye votes and 0 no aye votes.

Councilwoman Betty Brooks made a motion to approve the **minutes of July 15,** 2004 with the following correction: (1) Page 1, 1st paragraph last sentence should read without the word on. Councilman Dick John seconded the motion. Motion carried with 3 aye votes and 0 no aye votes.

Treasurer's Report

Councilman Charlie Hathaway made a motion to **table the treasurer's report** until further notice due to the fact that 4 pages of the report were missing, seconded by Councilwoman Betty Brooks. Motion carried with 3 aye votes and 0 no aye votes.

Department Reports

Fire

Fire Chief, Mike Young informed Council that as it was done in the past, the fire department, the Chamber of Commerce, and the Mayor selected the **Firemen's Civil Service Board** members. Chief Young has addressed this matter with the city attorney due to the fact that the law is very specific regarding who appoints the members. According to Chief Young, the law states that the Mayor, the labor board, and the Chamber shall appoint a member. Chief Young suggested obtaining information from Attorney, Tracey Weber as to which labor board to contact regarding this matter. Councilwoman Betty Brooks made a motion to **table the appointment of Civil Service members** until further notice from legal counsel, seconded by Councilman Dick John. Motion carried with 3 aye votes and 0 no aye votes.

The issue regarding a **Labor Day road toll** was removed from the agenda at the request of Council.

Councilwoman Betty Brooks made a motion to **approve the fire department report** for the month of June, seconded by Councilman Dick John. Motion carried with 3 aye votes and 0 no aye votes.

Councilwoman Betty Brooks made a motion to **approve the fire department report** for the month of July, seconded by Councilman Dick John. Motion carried with 3 aye votes and 0 no aye votes.

Police

Chief of Police Robbie Clem noted that **one of the officers would be graduating** from the State Police Academy on August 27, 2004, beginning at 10:00 a.m. at the WV State College.

Councilman Charlie Hathaway made a motion to **approve the police department report for July**, seconded by Councilman Dick John. Motion carried with 3 aye votes and 0 no aye votes.

Street

Street commissioner, Bob Atchison addressed Council regarding the placement of some **stop signs** without Council's approval. Two places indicated were on Jackson and Grey Street in Kittsonville, and Williams and Camden Avenue. Commissioner Atchison stated it would be preferable to remove the signs, or Council could approve them as they are. Mayor Tucci inquired if this matter was in regards to a safety issue. Councilman Dick John made a motion to approve the stop sign on Jackson Street, and to move the stop sign from Williams Street to Camden Avenue with the advice of Chief Clem, seconded by Councilman Charlie Hathaway. Motion carried with 3 aye votes and 0 no aye votes.

Larry Skinner commented that on Main Street, by Ramsey's Insurance there is a sign that says **no parking from here to corner**, and with the addition of Bank Alley there is no longer a corner, and therefore he recommended creating an additional parking space. Mr. Skinner also noted that Council is responsible for authorizing the painting of any yellow areas within the City of Weston.

Councilwoman Betty Brooks inquired if there were any **15 mph signs in stock** or if they would need to be ordered for the dead end streets. Commissioner Atchison stated that they would need to be ordered. Chief of Police, Robbie Clem stated he would get a price list available to Council regarding the signs.

Commissioner Atchison stated there was a **yard on Catherine Street** with grass ranging from 2-8 feet tall. Councilwoman Brooks stated it was in heir ship and the City normally cut it 3 or 4 times a year. Commissioner Atchison stated he did not believe the City should be cutting on private property. Commissioner Atchison commented that if it is in heir ship, a member of the family should be held responsible. Chief Clem commented that he had spoken with the individual responsible that day. Commissioner Atchison also commented that the **property on the corner of Olive and Mulberry**, where the old Street department was, also needed cut.

Commissioner Atchison stated that the **equipment left to work with was not in good condition**, and it was going to take additional funds to get back to good working condition.

Councilman Dick John made a motion to **enter executive session** at 7:55 to discuss the hiring for the position of general laborer for the street department, seconded by Councilwoman Betty Brooks. Motion carried with 3 aye votes and 0 no aye votes.

Councilman Charlie Hathaway made a motion to **come out of executive session** at 8:05, seconded by Councilwoman Betty Brooks. Motion carried with 3 aye votes and 0 no aye votes.

Street Commissioner, Bob Atchison recommended **James Lough for the position of general laborer**. Councilwoman Betty Brooks made the motion to hire James Lough as laborer for the street department, seconded by Councilman Dick John. Motion carried with 3 aye votes and 0 no aye votes. Councilman Hathaway verified that Mr. Lough was aware of his starting pay, which Commissioner Atchison stated yes and gave his starting date as August 18, 2004.

Councilwoman Betty Brooks made a motion to **accept the street department report**, seconded by Councilman Charlie Hathaway. Motion carried with 3 aye votes and 0 no aye votes.

Mayor Tucci requested that the clerk list **approval of reports on the agenda** in the future.

Councilman Charlie Hathaway made a motion to **approve the City Manager's** report for July, seconded by Councilman Dick John. Motion carried with 3 aye votes and 0 no aye votes.

Building Inspector

In the absence of Building Inspector John Hogan, City Manager Dan Minney informed Council that Mr. Hogan has been preparing new forms for Council's approval and would like to review them with Council in the near future. Councilman Dick John made a motion to **table the building inspector report** until further advice from the City Manager or the Building Inspector, seconded by Councilwoman Betty Brooks. Motion carried with 3 aye votes and 0 no aye votes.

Citizen's Report

Pat Minehardt discussed the need to plan for **animal control** in the future, and to prepare some type of program for spaying and neutering animals. Ms. Minehardt also explained that some programs might be available from the state for access by the City, and that within the next year or two, she would like for the City to establish some plan to assist with the effort of animal control.

Dan Moody addressed Council requesting that the City cover **the expense for lighting at the George Whelan Field** at a cost of approximately 32 cents an hour for approximately 4 hours a day. Councilman Charlie Hathaway made a motion to approve the payment for the electric bill for the lighting at the George Whelan Field, seconded by Councilman Dick John. Motion carried with 3 aye votes and 0 no aye votes.

Brenda Reed notified Council that a small group of citizens had formed the **Weston Chapter of Sustainable West Virginia**, and would like to do things that would help the community. Ms. Reed then spoke to Council regarding the **Governor's Community** Partnership **Grant**, which is currently for trails, recreation, and city facilities. The Weston Chapter of Sustainable West Virginia would like to write the grant and have a partnership with the City, because it is required that there is a municipal or a county component for grant application. Ms. Reed further explained that the group is currently interested in raising money for a butterfly garden, and also some funds to address the debt on the Equitrans property. Councilwoman Betty Brooks asked if there was a cost to the City, and there was no cost to the City. Councilman Dick John made a motion to partner with the Weston Chapter of Sustainable West Virginia, seconded by Councilman Charlie Hathaway. Motion carried with 3 aye votes and 0 no aye votes. Mayor Tucci requested that Council make sure that legal counsel is aware of the premise of the agreement.

Shelly Posey passed on discussing the **noise ordinance**, due to the absence of City Attorney, Tracey Weber III.

Jim Bandy updated Council on the status of the **Weston Community Center Project**. Mr. Bandy discussed the feasibility study as Phase I of the project, and also the renovation plan being acceptable to the owner, which would be the City of Weston. According to Mr. Bandy, for all pretence and purposes, the building is a feasible building and a plan will be ready to publish or present to council by August 15, 2004.

Old Business

Chief of Police Robbie Clem addressed Council regarding a previous request to have City Attorney, Tracey Weber III draft an ordinance for the **vehicle immobilizer** (the boot). Councilwoman Brooks inquired what time frame was allowed for the citations to be paid. Chief Clem stated that if a citation is written, the individual has 180 days to pay it off, and noted that he knows of no other alternative than the boot. Chief Clem further explained that if the boot is used it would be Council's decision as to how far back they can enforce it, and the individual would be responsible for the cost of the citation as well as whatever fee Council sets for placing the boot.

Council discussed a request for a copy of the **exit interview for the audits of 2001-2002 & 2002-2003**. Rick Barnett of Teed and Associates had stated he would hold an exit interview with Council, but it would cost the City an additional $600.00. Councilwoman Brooks noted that if the exit interview was done, she wanted to know who signed it, the date, and everything because if it was during the current term knowing that council needed to be informed of this "then we need to bring them back in and

charges need to be pressed." Mayor Tucci inquired what type of charges was being discussed. Councilwoman Brooks asked why "they" were hiding an audit for the last four or five years, and why this council is not allowed to have a copy of it? Councilman Charlie Hathaway explained that City Clerk, Barbara Blake contacted the audit company of Teed and Associates and asked that she report on her findings. City Clerk, Blake read the following memo:

As per my conversation with Rick Barnett of Teed and Associates in Charleston, an exit interview was performed with Rebecca Swisher for the 2001-2002 audit. Mr. Barnett stated it is customary to hold the exit interview with the financial director and sometimes the mayor of a town, but that usually it is not done with Council members. He did state he would be happy to do another exit interview at Council's request, but an additional charge of approximately $600.00 would be required.

Mr. Barnett explained that his previous bid included $2000.00 for the audit of general funds, with an additional $500.00 being allowed for each fund after to include the Firemen's Pension Fund, Police Pension Fund, Cemetery Fund, Coal Severance Fund, and the Sanitary Board Fund. He noted that although the Sanitary Board had a separate audit, it had to be reviewed also.

Please advise me of your wishes regarding Mr. Barnett's offer to do another exit interview at the cost of approximately $600.00.

Mayor Tucci then asked "what's the big deal" to which Councilwoman Brooks explained that somebody signed off on the audit and the Council has not seen any of them for the last three or four years. City Manager Dan Minney then explained that he had a hard copy of the 2001-2002 audit that was found in the files, but he did not have a copy of the exit interview. Councilwoman Brooks stated if the exit interview did exist then Council should have a copy of it, and the date, the person who did it, and where they met. Councilwoman Brooks also stated she would like to know why the additional $600.00 was required when the exit interview was "supposed to be done for us" (Council). City Manager, Dan Minney suggested going back to Mr. Barnett for a copy of his notes, as he has not been able to locate any type of exit interview. Councilwoman Brooks noted that for some reason some of the material is not available, and she would like to know what period of time it has come up missing, because it is a cost to the citizens as taxpayers, and to Council because they do not know where they stand in the past. Councilman Charlie Hathaway noted that he agreed with Councilwoman Brooks, in that he had never known of an exit interview being performed with just one individual. Mr. Minney explained that nobody at the table (City Manager, Finance Manager, & City Clerk) had been around long enough to go through an exit interview and did not have knowledge of the information being requested. Councilman Hathaway explained that none of the individuals mentioned was being accused of any wrong doing. After further discussion, City Clerk Barbara Blake stated that according to Charlie McKenny, with the State Auditor's Office the City of Weston was already on the schedule for a 2002-2003 audit and also the 2003-2004 audit. Councilwoman Brooks explained that she would like to have the audit moved up as soon as possible, due to the severity of the situation and the changes in personnel.

Councilwoman Brooks noted that going back through the minutes, there is a list of **tabled issues that have not been put back on the agenda**. Councilwoman Brooks suggested that the tabled items should be put back on the agenda to be approved or thrown out.

Chief of Police, Robbie Clem commented that he had spoken with **Alfred Fisher** regarding his request for a **handicapped parking space,** and Chief Clem and Street Commissioner Bob Atchison found a location for the sign and that Mr. Fisher was indeed handicapped. Councilman Charlie Hathaway made a motion that a handicapped parking space be granted for Mr. Fisher as approved by the Chief of Police and Street Commissioner, seconded by Councilman Dick John. Motion carried with 3 aye votes and 0 no aye votes.

Councilman Charlie Hathaway made a motion to table the issue regarding **making Locust Street a one-way street** until further notice, seconded by Councilman Dick John. Motion carried with 3 aye votes and 0 no aye votes.

Bernadette Law addressed Council regarding a letter written on April 19, 2004 to the City of Weston regarding the Polk Creek Water Shed. Ms. Law read the letter to Council requesting funds of $4,000.00 for the cost share agreement for the operation, maintenance, and repair program for the **Polk Creek Channel and Watershed Structures**. Ms. Law inquired if the funds could be obtained tonight or when could she get it, to which Mr. Minney commented that he was aware of the agreement and the $4000.00 obligation, but unfortunately the funds have not yet been available to take care of that. He did note that funds should be coming in within the next 10 days.

New Business

Councilman Dick John made a motion to nominate **Bob Nicholson** to the open seat on the **Sanitary Board.** Councilwoman Betty Brooks asked if any other names were being considered and there was no reply. Councilwoman Betty Brooks seconded the motion. Motion carried with 3 aye votes and 0 no aye votes.

City Manager Dan Minney notified citizens that the **hours of operation for City Hall** technically were 8:00 a.m. till 4:00 p.m.

Dave Floyd, a representative from **AIL insurance** spoke with Council regarding insurance options he can make available for City Employees. Mr. Floyd distributed a pamphlet, which further explained the options available.

Councilman Charlie Hathaway chose to **table the issue of a receipt process** for further review.

IX. Administrative and Ward Reports

City Manager – Dan Minney

City Manager, Dan Minney noted the **WV Municipal League 2004 Annual Conference** would be held in Morgantown August 12 – 14, 2004, with registration fees of $250.00 for a 3 day program and cost of travel being the extent of the cost. Councilman Charlie Hathaway made a motion that the City be responsible for the cost for the manager to attend the WV Municipal League Conference, seconded by Councilman Dick John. Motion carried with 3 aye votes and 0 no aye votes.

City Manager, Dan Minney commented that in mid September a **small cities** block **grant training program** would be available in Morgantown, and expressed that he did not believe the registration fees would be as much as for the Municipal League.

City Manager Minney also explained that an enclosure was in their packets on a **program management consulting team**, which could be used to evaluate the programs we have, do not have, need, etc. He commented that they work on a cost of about $65.00 an hour, but felt he could probably get a free consultation to see what they could do for the City.

The last issue discussed by City Manager, Dan Minney was a request by Chuck Wilson (a store owner on Main Street) to begin at the corner of Main Street at the beginning of Magnolia Plaza and **erect either 4 or 5 street lights** which would match what was installed in bank alley. Mr. Wilson's request would include the city taking over the expense of the streetlights, and reimbursement being made to Mr. Wilson when the streetscape project goes through. Councilwoman Brooks questioned if drain renovations would be involved with the project. Brenda Reed questioned if the lighting issues involved were also being considered rather than just beautifying the City. Bob Piercy commented that perhaps council should check with the businesses on the other side of the street since they would be loosing part of the lighting. The affect that this would have on the Christmas lighting was also brought to Council's attention. Council chose to **table the issue** until further information could be obtained.

City Finance Manager – Vickie McCall

Councilman Charlie Hathaway inquired if it would be possible to get some help for the current finance manager until she could straighten some things out. Councilwoman Brooks commented that she did not believe you could bring in someone "off of the street" due to B&O taxes, etc. Councilman Hathaway commented that it did not need to involve the B&O tax, but basic office help.

City Attorney – Tracey Weber II (Absent)

Ward I – Dick John

Councilman John noted that a lady on East 1st Street called to inquire if she could get a parking space. Chief of Police, Robbie Clem commented that she could rent a space at a cost of $20.00 a month. Council then reviewed some additional parking options that may be available.

Ward II – Ella Clem (Absent)

Ward III – Betty Brooks

Councilwoman Betty Brooks extended her thanks to the Cemetery Board and Erik Harris Lawn Care, and commented on the good job that has been done on the cemetery.

Ward IV – Charles Hathaway

Councilman Charlie Hathaway extended his appreciation for the report received from the Sanitary Board.

City Clerk - Barbara Blake

City Clerk, Barbara Blake discussed a sign up sheet, which was passed around for all citizens in attendance to sign for inclusion in the minutes of the meeting. She then requested that Council set a date for the work session and the special meeting previously discussed in the meeting. A work session was then scheduled for Wednesday, August 11, 2004 at 5:30, and a special meeting for Thursday, July 26, 2004 at 5:30.

Mayor – Jon Tucci

Mayor Tucci inquired if some attachments for the microphones could be obtained, which City Manager Dan Minney commented were in but would need to be picked up.

Mayor Tucci commented that he had received a letter from the Division of Rehabilitation Services for North Central West Virginia, requesting membership from the Mayor's office of Weston. The Mayor noted that the next meeting was August 10, 2004 at 12:00 noon at the Harrison County Library, and stated he would not be able to attend and inquired if a member of Council was interested in attending in his absence. Council was not able to represent the Mayor's office; therefore, the Mayor inquired of citizen Brenda Reed if she would be interested in doing so. Ms. Reed stated she did not feel she could make the commitment. Mayor Tucci stated he had not had the time to make additional inquiries at this time.

Adjourn

Councilman Dick John made a motion to **adjourn**, seconded by Councilwoman Betty Brooks. Motion carried with 3 aye votes and 0 no aye votes.

Citizens in attendance were as follows: Haydie A. Pumphrey, Laura J. Pumphrey, Ruby Christy, Judy Atchison, L. C. Skinner, Brenda Reed, Margie Brown, Mary Ann Oldaker, and Bob Nicholson.

Jon Tucci, Mayor

Barbara Blake, City Clerk

AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINIA,
COUNTY OF LEWIS, to wit:

I, GAIL MARSH, being first duly sworn upon my oath, do depose and say that I am Editor of The Weston Democrat, Inc., a corporation, publisher of the newspaper entitled The Weston Democrat, a Democratic newspaper; that I have been duly authorized by the board of directors of such corporation to execute this affidavit of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below; that such newspaper is regularly published weekly; for at least fifty weeks during the calendar year; in the Municipality of Weston, Lewis 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 Lewis County; 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 the current happenings, announcements, miscellaneous reading matters, advertisements, and other notices; that the annexed notice of Change in Sewer Rates was duly published in said newspaper once a week for Two weeks (Class. #), commencing with the issue of the 14th day of July, 2004 and ending with the issue of the 21st day of July, 2004; that said annexed notice was published on the following dates: July 14th & 21st, 2004; and the cost of publishing said annexed notice as aforesaid was $657.39; total number of words: 3,415.

Robert Bellotti Publisher ~~Editor~~

Taken, subscribed and sworn to before me in my said county this 23rd day of July, 2004.

Elizabeth E. Bookholt

My commission expires April 20, 2014
Notary Public Lewis
County, West Virginia.

OFFICIAL SEAL
STATE OF WEST VIRGINIA
NOTARY PUBLIC
ELIZABETH E. BOOKHOLT
621 NORTH RIVER AVENUE
WESTON, WV 28452
My commission expires April 20, 2014

LEGAL ADVERTISEMENT LEGAL ADVERTISEMENT LEGAL ADVERTISEMENT

PUBLIC NOTICE OF PROPOSED ORDINANCE TO CHANGE SEWER RATES.
WESTON, WEST VIRGINIA

NOTICE is hereby given that the city of Weston, West Virginia, a public utility, has had introduced before the Common Council of the City of Weston on July 6, 2004, a bill pursuant to which Article IV, Chapter 23, of the Code of the City of Weston, West Virginia, shall be amended effective forty-five (45) days from passage, to adopt a new tariff containing increased rates, tolls, and charges for furnishing sewer service to approximately 2600 customers at Weston and vicinity in the County of Lewis. The proposed ordinance reads as follows:

"AN ORDINANCE ESTABLISHING A REVISED SCHEDULE OF JUST AND EQUITABLE RATES AND CHARGES FOR THE USE OF AND SERVICES RENDERED BY THE MUNICIPAL SEWAGE SYSTEM OF THE CITY OF WESTON, WEST VIRGINIA, AND PROVIDING FOR THE COLLECTION OF SUCH RATES AND CHARGES. AMENDMENT OF APPLICABLE SECTIONS OF ARTICLE IV CHAPTER 23, OF THE CODE OF THE CITY OF WESTON

"WHEREAS, the City of Weston, in the County of Lewis and State of West Virginia acting by and through the Sanitary Board of the City of Weston, is required to establish rates for said service, to provide an operating gain in an adequate amount to timely meet the retirement of bonds and interest, and to fulfill the provisions of the following ordinances of the City of Weston heretofore duly adopted and ordained,

"WHEREAS, it is required and provided by law that just and equitable rates and charges for the use of and the services rendered by such sewage system be established and maintained in order to produce revenues sufficient for the expenses of operation, repair and maintenance of said system, and to pay, when due, the principal and interest of all obligations of said City as may be outstanding from time to time which, by their terms, are payable from the revenue of said system,

"WHEREAS, it has been deemed advisable by the Common Council of the City of Weston to establish a revised schedule of rates and charges for the use of and services rendered by said system, in accordance with the provisions of Article 13, Chapter 16, and Section 4b, Article 2, Chapter 24 of the Code of West Virginia (1931 as amended); and

"WHEREAS, the City of Weston, acting by and through the Weston Sanitary Board, has conducted and continues to conduct routine maintenance of, service to and replacement of its municipal sewer lines to ensure the continued quality of service provided to its customers.

"NOW, THEREFORE, the Common Council of the City of Weston, Lewis County, West Virginia, ordain as follows:

"Section 1. There is hereby established a revised schedule of just, reasonable and equitable rates and charges for the use of and services rendered by the municipal sewage system of the City of Weston, West Virginia, which shall be paid by the owner of each and every lot or parcel of real estate, or building connected therewith, served by or using such sewage system as follows:

"SEWER SERVICE RATES

"The rates and charges shall be based insofar as possible upon the quantity of water supplied each month to the respective premises as the same is measured by the water meter, or meters, therein used. There shall be charged monthly to the rate of owners of each lot or parcel of real estate, or building, for the services of said sewage system, the following rates based upon the water meter readings.

"APPLICABILITY

"Applicable in the entire territory served, including all current extensions or proposed extensions namely the areas of Homewood, Bendale, Deanville and Jordanville, Lewis County, West Virginia.

"AVAILABILITY

"Available for general domestic, commercial and industrial sanitary sewer service.

"RATES

	Customers in the City of Weston	Customers in the areas Homewood/Bendale Rt. 33, Jordanville/Deanville
First 2,000 gallons used per month	$7.87 per 1000 gallons	$9.53 per 1000 gallons
Next 3,000 gallons used per month	$7.87 per 1000 gallons	$9.53 per 1000 gallons
Next 20,000 gallons used per month	$5.74 per 1000 gallons	$7.41 per 1000 gallons
Next 225,000 gallons used per month	$4.93 per 1000 gallons	$6.60 per 1000 gallons
Next 112,500 gallons used per month	$3.47 per 1000 gallons	$5.14 per 1000 gallons

"MINIMUM CHARGE

"The above schedule is subject to a minimum monthly charge as follows:

a) Weston city customers: rate of $7.87/month/1,000 gallons for a minimum bill of $15.74 for 2,000 gallons.

b) Homewood/Bendale, Rt. 33, Jordanville/Deanville customers: rate of $9.53/month/1,000 gallons for a minimum bill of $19.06 for 2,000 gallons.

"DELAYED PAYMENT PENALTY

"The above schedule is net. On all accounts not paid in full within twenty (20) days of date of bill, ten percent (10%) will be added to the net amount shown.

"MULTIPLE OCCUPANCY

"Where multiple service is rendered through one water meter, the monthly sewer bill shall be not less than the minimum charge provided for above, multiplied by the number of families, apartments, residences, stores, offices, mobile homes (house trailers), or other units receiving water service from such meter.

"UNMETERED USERS

"a) In locations within the municipal boundaries of the City of Weston where the residential customer has no water meter, charges for sewer service shall be a flat monthly charge of Thirty Five and 40/100ths Dollars ($35.40) per connection to the sewer facilities.

"b) In locations outside the municipal boundaries of the City of Weston where the residential customer has no water meter, charges for sewer service shall be a flat monthly charge of Forty Two and 90/100ths Dollars ($42.90) per connection to the sewer facilities.

"This is based upon the national average residential water usage of 4500 gallons a month.

"SEWER CONNECTION (TAP) FEE

"A connection charge of One Hundred Fifty Dollars ($150.00) shall be collected from every new user of the City of Weston's sewer facilities unless specifically waived by agreement of the parties.

"BULK RATE

"The West Virginia Water Company shall be furnished sewer service at the rate of Twenty Eight Thousand Fourteen Dollars ($28,014.00) per annum, payable at the rate of Two Thousand Three Hundred Thirty Four and 50/100ths Dollars ($2,334.50) per month.

"WATER DISCONNECTION AND RECONNECTION FEE

"A disconnection fee of water service requested by the Weston Sanitary Board in the case of nonpayment of sewer service charges imposed by this ordinance shall be $20.00 and the reconnection fee of water service upon the payment of delinquent sewer service charges shall be $20.00.

"In the event that a building or premises discharging sewage, water or other liquid waste into the municipal sanitary sewer system uses water supplied on other than a metered basis, the owner, or occupant, may be required to cause a water meter or other measuring device to be installed."

"SPECIAL CHARGES

"In the event that the sewage, water or other liquid waste being discharged into the sanitary sewers from any building, or premises, is determined by the City to contain unduly high concentrations of any substances which add to the operating costs of the sewage system of said City, then the City may establish special rates and charges as to such class of buildings or premises, or the City may require the owners, or other interested parties, to specially treat such sewage, water or other liquid waste before it is discharged into the municipal sanitary sewer system, at the user's sole cost and expense."

"PAYMENT OF SEWER SERVICE CHARGES

"Section 2. All bills for sewer service shall be rendered monthly and shall be deposited in the "Sewer Revenue Fund" created and being maintained pursuant to the ordinance adopted June 16, 1958, authorizing the outstanding Sewer Revenue Bonds, dated June 1, 1958, of said City, and the ordinance authorizing the issuance of the Sanitary Sewer Revenue Bonds, dated 1969. No free services of said municipal sewer system shall be allowed or permitted.

"Section 3. Responsive to Section 10, Article 13, Chapter 16, of the Code of West Virginia, the rates and charges for the use of and services rendered by the municipal sewage system shall be paid by or on behalf of the owner of each and every lot or parcel of real estate, or building connected with, served by, or using said sewage system, and the amount of all such rates and charges, if not paid when due, shall be a lien upon the premises, served by such system, and if the bill for such rates and charges is not paid within thirty (30) days after due, it shall be deemed delinquent and the amount thereof shall be recovered by the Sanitary Board of the City in a civil action in the name of the City, together with a penalty of ten percent (10%), and a reasonable attorney's fee, and as a part of such action, the lien aforesaid may be foreclosed in due course against the lot or parcel of land or building charged with the amount due in accordance with the law relating to the enforcement of such liens, provided, however, if any bill for sewer service rates and charges is directed to a party other than the owner of the lot or parcel of real estate, or building connected with, served by or using the municipal sewage system, then in the event any such bill shall not be paid within the allotted time and shall become delinquent, the Sanitary Board shall mail such delinquent bill to the owner of such lot or parcel of real estate, or building at the last known address of such owner, together with a notice that such owner is the party charged by law with the liability for the payment of same, and if such bill is not paid within thirty (30) days after such mailing, the amount thereof shall be recovered by the Sanitary Board, together with the penalty aforesaid, and a reasonable attorney's fee as in the case of other delinquent bills, and as a part of such action the lien aforesaid may be foreclosed in due course against the lot or parcel of land, or building charged with the amount due in accordance with the laws relating to the enforcement of such liens. The foregoing sewer service rates and charges shall be put into effect and collected from and after the effective date hereof as hereinafter provided in Section 7.

"The aforesaid schedule of rates and charges for sewer services and the basis for computing or opposing the same shall be revised from time to time as may be required and provided by law or by the respective ordinances authorizing the issuance of said Sewer Revenue Bonds and Sanitary Sewer Revenue Bonds hereinbefore referred to.

"Section 4. That this ordinance, having been introduced at a meeting of the Common Council of the City of Weston, on the 6th day of July, 2004, and the proposed revision, change or readjustment of rates being substantially pro-rata as to all classes of service, no hearing or notice of the adoption of this ordinance is required by Section 16, Article 13, Chapter 16 of the Code of West Virginia (1931 as amended); however, notwithstanding the foregoing and in compliance with Section 13, Article 13, Chapter 8 of the Code of West Virginia (1931 as amended) this ordinance shall be published as a Class II legal advertisement in a newspaper of general circulation in Lewis County, West Virginia in compliance with the provisions of Article 3, Chapter 59 of the Code of West Virginia (1931 as amended); notice of the proposed adoption hereof shall likewise be published as a Class I-0 legal advertisement in compliance with the provisions of Article 3, Chapter 59 of the Code of West Virginia (1931 as amended) as provided in Section 4 (a) (2), Article 11, Chapter 8 of the Code of West Virginia (1931 as amended); and pursuant to the provisions of Section 4b (b), Article 2, Chapter 24 of the Code of West Virginia (1931 as amended), that notice of intent to effect the aforesaid rate change be specified in the monthly billing statement of all users for the month next preceding the month in which the rate change is to become effective and that a copy of this rate ordinance shall be clearly placed and marked for viewing in the Weston City Building.

"Section 5. If any clause, provision or section of this ordinance be ruled void or unenforceable by a Court of competent jurisdiction the remainder thereof is intended to be enacted and shall be in force and effective notwithstanding any ruling or judgment aforesaid.

"Section 6. That all ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this ordinance are, to the extent of such conflict, hereby repealed, and further, that the terms and provisions of Article IV, Chapter 23, of Weston City Code are repealed insofar and insofar only as they are in conflict with any particular section, or sections, of this ordinance and no further.

"Section 7. In accordance with the provisions of Section 4(b), Article 2, Chapter 24 of the Code of West Virginia the rates and charges imposed by this ordinance shall not be effective sooner than forty-five (45) days after adoption."

These rates represent the following increases:

CLASS OF USER (USAGE)	CURRENT MONTHLY BILL	PROPOSED MONTHLY BILL	DOLLAR DIFFERENCE	PERCENTAGE DIFFERENCE
In City Limits:				
Residential (4500 gallons)	$26.16	$30.09	$3.93	15%
Commercial (15,000 gallons)	$71.55	$82.29	$10.74	15%
Public Authority Major (488,000 gallons)	$1400.85	$1610.98	$210.13	15%
Public Authority Minor (8400 gallons)	$34.68	$39.86	$5.20	15%
Out of City Limits:				
Residential (4500 gallons)	$32.68	$37.59	$4.91	15%
Commercial (35,000 gallons)	$199.87	$229.85	$29.98	15%
Public Authority (244,500 gallons)	$1131.87	$1301.65	$169.78	15%

A public hearing, the second reading of the bill and the final vote by the Common Council will be conducted during the next regularly scheduled meeting of the Common Council in the Senior Citizens Center, 171 West Second Street, Weston, West Virginia, on August 2, 2004, beginning at 7:00 p.m., at which time and place the public may appear and be heard on the proposed ordinance. A complete copy of the ordinance is available for public inspection at the offices of the City Clerk, Weston City Building, 102 West Second Street, Weston, West Virginia, between 8:00 a.m. and 4:30 p.m. Monday through Friday.

Barbara Blake, City Clerk

8-2

AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINIA,
COUNTY OF LEWIS, to wit:

I, GAIL MARSH, being first duly sworn upon my oath, do depose and say that I am Editor of The Weston Democrat, Inc., a corporation, publisher of the newspaper entitled The Weston Democrat, a Democratic newspaper; that I have been duly authorized by the board of directors of such corporation to execute this affidavit of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below; that such newspaper is regularly published weekly; for at least fifty weeks during the calendar year; in the Municipality of Weston, Lewis 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 Lewis County; 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 the current happenings, announcements, miscellaneous reading matters, advertisements, and other notices; that the annexed notice of Change in rates was duly published in said newspaper once a week for Two weeks (Class. II), commencing with the issue of the 4th day of August, 2004 and ending with the issue of the 11th day of August, 2004; that said annexed notice was published on the following dates: Aug 4th & 11th, 2004; and the cost of publishing said annexed notice as aforesaid was $166.13; total number of words: 863.

Gail Marsh Editor

Taken, subscribed and sworn to before me in my said county this 11th day of August, 2004.

Elizabeth E. Bookholt

My commission expires April 20, 2014
Notary Public Lewis
County, West Virginia.

OFFICIAL SEAL
STATE OF WEST VIRGINIA
NOTARY PUBLIC
ELIZABETH E. BOOKHOLT
621 NORTH RIVER AVENUE
WESTON, WV 28452
My commission expires April 20, 2014

LEGAL ADVERTISEMENT LEGAL ADVERTISEMENT

PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITY

NOTICE is hereby given that The City of Weston, West Virginia, a public utility, has adopted by ordinance on August 2, 2004, a tariff containing increased rates, tolls, and charges for furnishing sewer service to approximately 2,800 customers at Weston and vicinity in the County of Lewis.

The proposed increased rates and charges will become effective September 16, 2004, unless otherwise ordered by the Public Service Commission and will produce approximately $153,307 annually in additional revenue, an increase of 15%. The average monthly bill for the various classes of customers will vary depending upon the amount of metered water consumption. Some examples of the increased rates and charges:

CLASS OF USER (USAGE)	DOLLAR ($) INCREASE	PERCENTAGE (%) INCREASE
In City Limits		
Residential (4500 gallons)	$3.93	15%
Commercial (15,000 gallons)	$10.74	15%
Public Authority		
Major (468,000 gallons)	$210.13	15%
Public Authority		
Minor (6480 gallons)	$5.20	15%
Out of City Limits		
Residential (4500 gallons)	$4.91	15%
Commercial (36,000 gallons)	$29.98	15%
Public Authority		
(244,500 gallons)	$149.78	15%

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 averages. 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 changes in rates who reside within the municipal boundaries and who presents a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the municipal utility. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, P.O. Box 812, Charleston, WV 25323.

A complete copy of the proposed rates, as well as a representative of the City to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at the offices of the City Clerk, Weston City Building, 102 West Second Street, Weston, West Virginia, between 8:00 a.m. and 4:30 p.m. Monday through Friday.

A copy of the proposed rates is available for public inspection at the Office of the Executive Secretary of the PUBLIC SERVICE COMMISSION at 201 Brooks Street, Charleston, WV.

Barbara Blake, City Clerk 11-

PETITION OF THE SANITARY BOARD OF
THE CITY OF WESTON

TO THE COUNCIL OF THE CITY OF WESTON, WEST VIRGINIA:

Pursuant to the provisions of Chapter 16, Article 13, Section 5 of the Code of West Virginia, 1931, as amended, the Sanitary Board (the "Sanitary Board") of the City of Weston, West Virginia (the "Issuer"), hereby petitions the Council of the Issuer to enact an ordinance which shall:

(a) set forth a brief and general description of the additions, betterments and improvements to the existing public sewerage system (the "System") of the Issuer, consisting of replacing existing 12-inch sanitary sewer lines located along Stonecoal Creek from its mouth at the West Fork River upstream to the Fest Pump Station in Weston, Lewis County, West Virginia, together with all appurtenant facilities (the "Project"), in accordance with plans and specifications prepared and filed by the engineers chosen by the Sanitary Board (the "Consulting Engineers");

(b) set forth the costs of the Project estimated by the Consulting Engineers;

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

(d) direct that sewer revenue bonds of the Issuer be issued pursuant to Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended, in an aggregate principal amount not to exceed $1,000,000, or in such other amount as is necessary to acquire and construct the Project; and

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

This Petition was duly approved and authorized at a meeting of the Sanitary Board duly called and held on the 10th day of January, 2005.

WITNESS our signatures on this 10th day of January, 2005.

SANITARY BOARD OF THE CITY OF WESTON

Chairman

Member

Member

01/07/05
100530/00308

M0445610 1

CITY OF WESTON **2.8**
SEWER REVENUE BONDS, SERIES 2005 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

BOND ORDINANCE

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CITY OF WESTON

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF WESTON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

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 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. The City of Weston (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Lewis 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 replacing existing 12-inch sanitary sewer lines located along Stonecoal Creek from its mouth at the West Fork River upstream to the Fest Pump Station in Weston, Lewis County, West Virginia, together with all appurtenant facilities (collectively, the "Project"), which constitute properties for the collection, treatment, purification and disposal of liquid and solid wastes, sewage or industrial wastes (the existing public sewerage system of the Issuer, the Project and any further additions, betterments and improvements are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the City Clerk of the Issuer.

C. The Issuer intends to permanently finance 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 Infrastructure Fund pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), in the aggregate principal amount of not more than $1,000,000 (the "Series 2005 A Bonds"), to permanently finance a portion of the costs of acquisition and construction of the Project. The remaining costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of acquisition or construction thereof, the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, on the Series 2005 A Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of construction of the Project; amounts which may be deposited in the Series 2005 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 2005 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 2005 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 2005 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council"), in form satisfactory to the respective parties (the "Loan Agreement"), approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2005 A Bonds as to liens, pledge, source of and security for payment, being the (i) Sewer Revenue Bonds, Series 1996, dated December 10, 1996, issued in the original principal amount of $1,274,287; (ii) Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated December 20, 2000, issued in the original principal amount of $3,192,097; and (iii) Sewer Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund), dated December 20, 2000, issued in the original principal amount of $6,250,000 (collectively, the "Prior Bonds").

The Series 2005 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2005 A Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Registered Owners of the Prior Bonds to the issuance of the Series 2005 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all Operating Expenses of the System and the principal of and interest, if any, on the Series 2005 A Bonds and the Prior Bonds and to make payments into all funds and accounts and other payments provided for herein and in the Prior Ordinance.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to the authorization of the acquisition and construction of the Project and the operation of the System and the issuance of the Series 2005 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the Infrastructure Council and the obtaining of a certificate of public convenience and necessity from the Public Service Commission of West Virginia (the "PSC") by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2005 A Bonds or such final order will not be subject to appeal or rehearing.

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 2005 A Bonds for the purposes set forth herein.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2005 A Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 2005 A Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13 and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2005 A Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the Infrastructure Council 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.

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

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

"Bonds" means, collectively, the Series 2005 A Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"City Clerk" means the City Clerk of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2005 A Bonds for all or a portion of the proceeds of the Series 2005 A Bonds from the Authority.

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

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

"Consulting Engineers" means E. L. Robinson Engineering Co., Cross Lanes, 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 Code of West Virginia, 1931, as amended; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

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

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

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

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

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

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

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

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

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

"Infrastructure Council" means the West Virginia Infrastructure and Jobs Development Council or any other agency of the State of West Virginia that succeeds to the functions of the Infrastructure Council.

"Investment Property" means

(A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

(E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of

which is a specified private activity bond (as defined in section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

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

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, into by and between the Issuer and the Authority, on behalf of the Infrastructure Council, providing for the purchase of the Series 2005 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2005 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2005 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2005 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property as defined in Section 148(b) of the Code, that is not a purpose investment.

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

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

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

"Paying Agent" means the Commission or other entity designated as such for the Series 2005 A Bonds in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Issuer's (i) Sewer Revenue Bonds, Series 1996; (ii) Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program); and (iii) Sewer Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund), as described in Section 1.02G hereof.

"Prior Ordinance" means, collectively, the ordinance of the Issuer enacted on September 3, 1996, as supplemented by the supplemental resolution of the Issuer adopted December 2, 1996, and the ordinance of the Issuer enacted on December 4, 2000, as supplemented by the supplemental resolution of the Issuer adopted December 4, 2000, authorizing the issuance of the Prior Bonds.

"Private Business Use" means use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit; provided that, use as a member of the general public shall not be taken into account.

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

"PSC" means the Public Service Commission of West Virginia and any successor to the functions thereof.

"PSC Order" means, collectively, the final order or orders of the PSC, granting the Issuer a certificate of convenience and necessity to acquire and construct the Project and approving the financing for the Project.

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

(a) Government Obligations;

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

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

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

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

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

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

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

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

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Accounts" means, collectively, the respective Reserve Accounts created for the Series 2005 A Bonds and the Prior Bonds.

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

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

"Series 2005 A Bonds" means the Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Ordinance.

"Series 2005 A Bonds Construction Trust Fund" means the Series 2005 A Bonds Construction Trust Fund created by Section 5.01 hereof.

"Series 2005 A Bonds Reserve Account" means the Series 2005 A Bonds Reserve Account created by Section 5.02 hereof.

"Series 2005 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 2005 A Bonds in the then current or any succeeding year.

"Series 2005 A Bonds Sinking Fund" means the Series 2005 A Bonds Sinking Fund created by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds created for the Series 2005 A Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2005 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2005 A Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2005 A Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Sinking Funds and the Reserve Accounts.

"System" means, collectively, the complete existing municipal 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 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.

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of $1,500,000, 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 2005 A Bonds shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, in an amount and otherwise compatible with the financing plan submitted to the Infrastructure Council and the Authority.

The cost of the Project is estimated not to exceed $1,500,000, of which approximately $1,000,000 will be obtained from proceeds of the Series 2005 A Bonds and approximately $500,000 will be obtained from a grant by the Infrastructure Council.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2005 A Bonds, funding the Series 2005 A Bonds Reserve Account, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2005 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2005 A Bonds of the Issuer. The Series 2005 A Bonds shall be issued as a single bond, designated as "Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund)," in the principal amount of not more than $1,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2005 A Bonds remaining after funding of the Series 2005 A Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2005 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 2005 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2005 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2005 A Bonds, if any, shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2005 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 2005 A Bonds. The Series 2005 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 set forth in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2005 A Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2005 A Bonds shall cease to be such officer of the Issuer before the Series 2005 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 2005 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2005 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 2005 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 2005 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Registered Owner, in accepting the Series 2005 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Registered Owner shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide registered owner for value.

So long as the Series 2005 A Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2005 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 2005 A Bonds or transferring the registered Series 2005 A Bonds is exercised, all such Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All such Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of such 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 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on such Bonds or, in the case of any proposed redemption of such 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 2005 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, register and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Registered Owner's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2005 A Bonds shall not, in any event, be or constitute a corporate indebtedness of the Issuer within the meaning of any statutory or constitutional limitations, but shall be payable solely from the Net Revenues derived from the System as herein provided. No Registered Owner of such Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay such Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of debt service of the Series 2005 A Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Registered Owners of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2005 A Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2005 A Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2005 A Bonds to the original purchasers upon receipt of a request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate, register, and deliver the Series 2005 A Bonds to the original purchasers.

Section 3.10. Form of Bonds. The text of the Series 2005 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 WESTON
SEWER REVENUE BOND, SERIES 2005 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That on this ___ day of _____, 200_ , the CITY OF WESTON, a municipal corporation and political subdivision of the State of West Virginia in Lewis 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, _____, as set forth on the " Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Infrastructure Council, dated _____, 200_ .

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 this

Bond and related costs. The existing public sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 200_, and a Supplemental Resolution duly adopted by the Issuer on _____, 200_ (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) SEWER REVENUE BONDS, SERIES 1996, DATED DECEMBER 10, 1996, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $1,274,287; (2) SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 20, 2000, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $3,192,097; AND (3) SEWER REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 20, 2000, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $6,250,000 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the registered owners of the Prior Bonds and from moneys in the reserve account created under the Bond Legislation for this Bond (the "Series 2005 A Bonds Reserve Account"), and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, 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 statutory or constitutional limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2005 A Bonds Reserve Account and unexpended proceeds of this Bond. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for all operating expenses 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 this Bond, and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Prior Bonds; provided however, that so long as there exists in the Series 2005 A Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest, if any, which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other

obligations outstanding on a parity with this Bond, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of this Bond are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, the CITY OF WESTON has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated as of the date first written above.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2005 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 200_.

_____, as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Loan Agreement, including all schedules and exhibits attached thereto, are hereby approved and incorporated into this Bond Legislation. The Series 2005 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

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

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

(2) Renewal and Replacement Fund (created by the Prior Ordinance); and

(3) Series 2005 A Bonds Construction Trust Fund.

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

(1) Series 2005 A Bonds Sinking Fund; and

(2) Series 2005 A Bonds Reserve Account.

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

(1) The Issuer shall first, each month, pay from the Revenue Fund the current Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Sinking Funds for the Prior Bonds, the amounts required by the Prior Ordinance for payment of the principal of the Prior Bonds; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2005 A Bonds, for deposit in the Series 2005 A Bonds Sinking Fund,

an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2005 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 2005 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Reserve Accounts for the Prior Bonds, the amounts required by the Prior Ordinance to be deposited therein; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2005 A Bonds, if not fully funded upon issuance of the Series 2005 A Bonds, for deposit in the Series 2005 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2005 A Bonds Reserve Requirement, until the amount in the Series 2005 A Bonds Reserve Account equals the Series 2005 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2005 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 2005 A Bonds Reserve Requirement.

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

Moneys in the Series 2005 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2005 A Bonds as the same shall become due. Moneys in the Series 2005 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2005 A Bonds as the same shall become due, when other moneys in the Series 2005 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2005 A Bonds Sinking Fund and the Series 2005 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 2005 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 2005 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2005 A Bonds Reserve Account which result in a reduction in the balance therein to below the Series 2005 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2005 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 accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2005 A Bonds Sinking Fund or the Series 2005 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2005 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Interest, principal or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2005 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 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account created hereunder, and all amounts required for such accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into such accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2005 A Bonds, under the conditions and restrictions set forth herein.

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinabove provided, are current and there remains in 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 the Act, such excess shall be considered as Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

C. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payments and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

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

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 respective parties 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 at anytime, make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

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

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

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds. From the moneys received from the sale of the Series 2005 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2005 A Bonds, there shall first be deposited with the Commission in the Series 2005 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 2005 A Bonds, there shall be deposited with the Commission in the Series 2005 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2005 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2005 A Bonds, such moneys shall be deposited with the Depository Bank in the Series 2005 A Bonds Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and until so expended, are hereby pledged as additional security for the Series 2005 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 2005 A Bonds shall be expended as approved by the Infrastructure Council.

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

Except as provided in Section 6.01 hereof, disbursements from the Series 2005 A Bonds Construction Trust Fund shall be made only after submission to and approval from the Council, of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

(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.

The Issuer shall expend all proceeds of the Series 2005 A Bonds within 3 years of the date of issuance of the Infrastructure Council's bonds, the proceeds of which were used to make the loan to the Issuer.

Pending such application, moneys in the Series 2005 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Registered Owner of the Series 2005 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Registered Owner of the Series 2005 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 2005 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 2005 A Bonds shall not be nor constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Registered Owner of the Series 2005 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2005 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2005 A Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Registered Owner of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2005 A Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the sewer rate ordinance of the Issuer duly enacted on August 2, 2004.

So long as the Series 2005 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all

such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2005 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinance. Additionally, so long as the Series 2005 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Infrastructure Council and the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2005 A Bonds, immediately be remitted to the Commission for deposit in the Series 2005 A Bonds Sinking Fund, and, with the written permission of the Infrastructure Council and the Authority, or in the event the Authority is no longer the Registered Owner, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2005 A Bonds. Any balance remaining after the payment of the Series 2005 A Bonds and 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 ordinance, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine, upon consultation with a professional engineer, that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by ordinance duly adopted, authorize such sale, lease or other

disposition of such property in accordance with the laws of the State. The proceeds of any such sale shall be remitted by the Issuer to the Commission for deposit in the respective Sinking Funds and applied only to the purchase or redemption of Bonds of the last maturities then Outstanding at prices not greater than the applicable redemption price or if not redeemable, deposited in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund and the Sinking Funds shall not reduce the amount required to be paid into such account by other provisions of this Bond Legislation.

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

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2005 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2005 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, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2005 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2005 A Bonds, and the interest thereon, if any, upon any of the income and revenues of the System pledged for payment of the Series 2005 A Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinance shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2005 A Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the Infrastructure Council and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinance).

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2005 A Bonds.

No such Parity Bonds shall be issued except for the purposes of financing the costs of the design, acquisition or construction of additions, extensions, improvements or betterments to the System or refunding any 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 City Clerk a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided 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 expected 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 be not less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues expected 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 City Clerk 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 Registered Owners of the Bonds and the Registered Owners of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. All Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from the Net Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien of the Series 2005 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2005 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 Infrastructure Council, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the Infrastructure Council such documents and information as they may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and

maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

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

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

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

The Issuer shall file with the Authority and the Infrastructure Council, or any other original purchaser of the Series 2005 A Bonds, and shall mail in each year to any Registered Owner of the Series 2005 A Bonds, requesting the same, an annual report containing the following:

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountant in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof, to the extent legally required, and shall mail upon request, and make

available generally, the report of the Independent Certified Public Accountant, or a summary thereof, to any Registered Owner of the Series 2005 A Bonds and shall submit said report to the Authority and the Infrastructure Council, or any other original purchaser of the Series 2005 A Bonds. Such audit report submitted to the Authority and the Infrastructure Council shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

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

Section 7.09. Rates. Prior to the issuance of the Series 2005 A Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each 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 2005 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2005 A Bonds, including the Prior

Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Series 2005 A Bonds Reserve Account and the Reserve Accounts for obligations on a parity with the Series 2005 A 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 2005 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2005 A Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04.

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

Commencing on the date contracts are executed for the acquisition and construction of the Project and for 2 years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement, and forward a copy of such report to the Authority and the Infrastructure Council by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer shall obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with

the approved plans, specifications and designs as submitted to the Authority and the Infrastructure Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Infrastructure Council is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

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

The Issuer shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of the Loan Agreement.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the PSC, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the PSC, discontinue and shut off the services of the System, and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of

service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the waterworks facilities are not owned by the Issuer, the Issuer will, to the extent allowed by law, use diligent efforts to enter into a similar termination agreement with the provider of such water, subject to any required approval of such agreement by the PSC and all rules, regulations and orders of the PSC.

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

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2005 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

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

Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor dealing directly with the Board 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 Chapter 38, Article 2, Section 39 of the Code of West Virginia, 1931, as amended.

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

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

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

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

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

Section 7.16. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter

produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the PSC, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

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

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

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project, all orders and approvals from the PSC and the Infrastructure Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

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

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

Section 7.19. [Reserved]

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

Section 7.21. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2005 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 Infrastructure Council for written approval. The Issuer shall obtain the written approval of the Infrastructure Council before expending any proceeds of the Series 2005 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 Infrastructure Council before expending any proceeds of the Series 2005 A Bonds made available due to bid or construction or project underruns.

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

ARTICLE VIII

INVESTMENTS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if reasonably requested by the Issuer), a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2005 A Bonds are Outstanding.

Section 8.02. Certificate as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2005 A Bonds as a condition to issuance of the Series 2005 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 2005 A Bonds as may be necessary in order to maintain the status of the Series 2005 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 2005 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 or the Infrastructure Council, as the case may be, from which the proceeds of the Series 2005 A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the Infrastructure Council, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2005 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 2005 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2005 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 2005 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2005 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 the Registered Owner; 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 however, that all rights and remedies of the Registered Owners of the Series 2005 A Bonds shall be on a parity with those of the Registered Owners of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof.

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

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

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

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

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

enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Registered Owners of the Series 2005 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then this Bond Legislation and the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2005 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to the issuance of the Series 2005 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2005 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 2005 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2005 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Series 2005 A Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein pledged therefor without the consent of the Registered Owners thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2005 A Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Registered Owner as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest, if any, on the Series 2005 A Bonds from gross income of the Registered Owners thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2005 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,

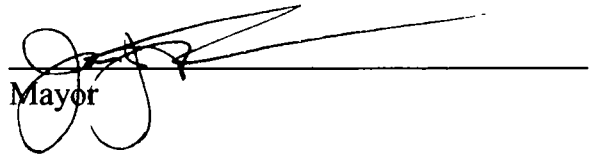
in the event of any conflict between this Ordinance and the Prior Ordinance, the Prior Ordinance shall control (unless less restrictive), so long as the Prior Bonds are outstanding.

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 City Clerk and members of the Governing Body and the Board were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance in the form set forth in Exhibit A attached hereto and incorporated herein by reference, shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the Weston Democrat, a qualified newspaper published and of general circulation in the City of Weston, and in the Clarksburg Exponent-Telegram, a newspaper of general circulation in the City of Weston, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2005 A Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than 10 days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. The Governing Body hereby determines that the abstract of this Ordinance as set forth in Exhibit A contains sufficient information as to give notice of the contents hereof. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Section 11.08. Effective Date. This Ordinance shall take effect immediately following public hearing and final reading hereof.

Passed on First Reading:	February 7, 2005
Passed on Second Reading:	March 7, 2005
Passed on Final Reading Following Public Hearing:	April 4, 2005



Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly passed by the Council of the CITY OF WESTON on the 7th day of March, 2005, and effective on April 4, 2005.

Dated this 24th day of June, 2005.

[SEAL]

Rebecca J. Pickens
City Clerk

05/16/05
100530/00308

EXHIBIT A

CITY OF WESTON

NOTICE OF PUBLIC HEARING AND ABSTRACT OF BOND ORDINANCE

Notice is hereby given to any person interested that on March 7, 2005, the Council of the City of Weston (the "Issuer") adopted an ordinance which, among other things:

1. Authorized the acquisition and construction of certain additions, betterments and improvements (the "Project") to the Issuer's existing sewerage system (the "System") and the financing of the cost thereof, not otherwise provided, through the issuance of not more than $1,000,000 in aggregate principal amount of Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund) (the "Bonds").

2. Directed that the Bonds be issued in such principal amounts, bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates, mature on such dates and in such amounts and redeemable, in whole or in part, as prescribed in a supplemental resolution or in the Loan Agreement for the Bonds; authorized the execution and delivery of the Loan Agreement.

3. Directed the continuation of a revenue fund and the disposition of the revenues of the System; provided for the payment of operating expenses of the System and debt service on the Bonds; directed the creation of a sinking fund, a reserve account and a renewal and replacement fund for the Bonds; directed the creation of a bond construction trust fund and the disbursement of Bond proceeds.

4. Provided that the Bonds shall not be or constitute a corporate indebtedness of the Issuer within the meaning of any statutory or constitutional limitations, but shall be payable solely from the Net Revenues of the System; pledged the Net Revenues of the System to payment of the Bonds and established the rights of the registered owners of the Bonds to the Net Revenues of the System; provided certain conditions for the issuance of additional bonds.

5. Provided for insurance coverage on the Project and the System, enforcement of collection of rates and other charges for the System, and other covenants of the Issuer in favor of the registered owners of the Bonds.

6. Established the events of default and the remedies of the registered owners of the Bonds; provided for the modification or amendment of the Ordinance upon the terms and conditions set forth in the Ordinance.

The Issuer contemplates the issuance of the Bonds described in and under the conditions set forth in the Ordinance abstracted above. Any person interested may appear before the Council of the City of Weston at a regular meeting on April 4, 2005, at 7:00 p.m., at the Lewis County Senior Citizen's Center, 171 West Second Street, Weston, West Virginia, and present protests and be heard as to whether the above described Ordinance shall be put into effect.

A certified copy of the Ordinance as adopted by the Council is on file with the City Clerk for review by interested persons during the office hours of the City Hall.

_____

City Clerk

CITY OF WESTON
SEWER REVENUE BONDS,
SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, PAYMENT SCHEDULE, SALE PRICE AND OTHER TERMS OF THE CITY OF WESTON SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND); AUTHORIZING AND APPROVING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Council (the "Governing Body") of the City of Weston (the "Issuer") has duly and officially passed a Bond Ordinance on March 7, 2005, effective April 4, 2005 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF WESTON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of the Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), of the Issuer, in the aggregate principal amount not to exceed $1,000,000 (the "Bonds" or the "Series 2005 A Bonds"), and has authorized the execution and delivery of a loan agreement, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council"), all in accordance with Chapter 16, Article 13 and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Bonds should be established by a supplemental resolution, and that other matters relating to the Bonds be herein provided for;

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

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

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and ratified by the Issuer, that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WESTON, WEST VIRGINIA, AS FOLLOWS:

Section 1. It is hereby found and determined that:

(A) The Notice of Public Hearing and Abstract of Bond Ordinance (the "Notice") was duly published in the Weston Democrat, a qualified newspaper published and of general circulation in the City of Weston, and in the Clarksburg Exponent - Telegram, a newspaper of general circulation in the City of Weston, with the first publication thereof being not less than ten (10) days before the day set by the Bond Ordinance and the Notice for the public hearing at which interested persons may appear before the Council and present protests and suggestions and with the last publication thereof being prior to said date set by the Bond

Ordinance and the Notice for the public hearing, and a copy of the Affidavit of Publication reflecting such publications is incorporated herein by reference;

(B) In accordance with the Bond Ordinance and the Notice, the City Clerk has maintained in his or her office a certified copy of the Bond Ordinance for review by interested persons during the regular office hours of such office;

(C) At the Lewis County Senior Citizens Center, Weston, West Virginia, on April 4, 2005, at 7:00 p.m., prevailing time, in accordance with the Bond Ordinance and the Notice, the Council met for the purpose of hearing protests and suggestions regarding whether the Bond Ordinance should be put into effect and heard all protests and suggestions with regard thereto;

(D) At the public hearing, no significant reasons were presented that would require modification or amendment of the Bond Ordinance and no written protest with regard thereto was filed by 30 percent or more of the freeholders of the Issuer; and

(E) The Bond Ordinance was put into effect as of the date thereof and the Bonds contemplated thereby shall be issued, all as provided in the Bond Ordinance and this Supplemental Resolution.

Section 2. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the original principal amount of $597,037. The Bonds shall be dated the date of delivery, shall finally mature June 1, 2045, and shall bear no interest. The principal of the Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2006, in the amounts as set forth in the Schedule Y attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Bonds shall be subject to redemption upon the written consent of the Authority and the Infrastructure Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the Registered Owner of the Bonds.

Section 3. All other provisions relating to the Bonds and the text of the Bonds shall be in substantially the form provided in the Bond Ordinance.

Section 4. The Issuer hereby ratifies, approves and accepts the Loan Agreement, including all schedules and exhibits attached thereto, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby

authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the application to the Infrastructure Council and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 5. The Issuer hereby appoints and designates United Bank, Inc., Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Bonds under the Bond Ordinance and approves and accepts the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed and approved.

Section 6. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Commission"), to serve as Paying Agent for the Bonds under the Bond Ordinance.

Section 7. The Issuer hereby appoints and designates United Bank, Inc., Weston, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 8. Series 2005 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2005 A Bonds Sinking Fund as capitalized interest.

Section 9. Series 2005 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2005 A Bonds Reserve Account.

Section 10. The remaining proceeds of the Bonds, as advanced from time to time, shall be deposited in or credited to the Series 2005 A Bonds Construction Trust Fund, as received from time to time for payment of costs of the Project, including costs of issuance of the Bonds.

Section 11. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered to the Authority pursuant to the Loan Agreement on or about June 24, 2005.

Section 12. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 13. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in money market accounts secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to invest all moneys in such money market accounts until further directed in writing by the Issuer. Moneys in the Series 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account shall be invested by the Commission in the West Virginia Consolidated Fund.

Section 14. The Issuer hereby approves and accepts all contracts and agreements relating to the financing, acquisition and construction of the Project and hereby authorizes the Sanitary Board to enter into all contracts and agreements relating to the acquisition and construction of the Project.

Section 15. The Issuer hereby approves the costs of issuance and authorizes the payment of the same.

Section 16. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 6th day of June, 2005.

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the CITY OF WESTON on the 6th day of June, 2005.

Dated this 24th day of June, 2005.

[SEAL]

Rebecca J. Pickens
City Clerk

05/16/05
100530/00308

City of Weston
102 West Second St.
Weston, WV 26452
Phone 304-269-6141; Fax 304-269-7842; TTY 304-269-2413

Jon J. Tucci, Mayor
Dan Minney, City Manager

Regular Council Meeting
February 7, 2005
LEWIS COUNTY SENIOR CENTER

The Common Council of the City of Weston held a Regular Council Meeting on Monday, February 7, 2005 at the Lewis County Senior Center.

Mayor Pro Tem Betty Brooks explained that Mayor Jon Tucci's brother was having an operation and that Mayor Jon Tucci was with him. She noted that in the absence of the Mayor, she would be conducting the Council meeting in his place. Mayor Pro Tem Betty Jo Brooks then led the assembly in the Pledge of Allegiance.

Mayor Pro Tem Betty Brooks called the meeting to order and asked City Clerk Rebecca Pickens to proceed with roll call. Present at the meeting were Councilman Dick John; Councilwoman Ella Clem; Mayor Pro Tem Betty Brooks; Councilman Charlie Hathaway; City Manager Dan Minney; Finance Manager Vickie McCall; City Clerk Rebecca Pickens; City Attorney Tracey Weber, III; Chief of Police Robbie Clem; Street Commissioner Bob Atchison; and Fire Chief Mike Young. Absent from the meeting were Mayor Jon Tucci and Building Inspector John Hogan.

Mayor Pro Tem Betty Brooks asked the audience if everyone had signed up that wanted to speak at the meeting and it was noted that there was an amended agenda. Mayor Pro Tem Betty Brooks called for the approval of the minutes from the January 6, 2005 Special Council meeting. Councilman Dick John asked that it be noted in the minutes that he stayed for the full meeting. Mayor Pro Tem Betty Brooks passed out typed copies of her corrections for the minutes. Councilman Charlie Hathaway asked for two corrections to the January 6, 2005 minutes. He asked that page four, the sixth line down under the Citizen's Report, should read Officer Herrod instead of Officer Holcomb. He also mentioned that, on the same page, fourth line up from the bottom should read City Manager Dan Minney instead of Chief of Police Robbie Clem. Mayor Pro Tem Betty Brooks read her typed corrections as follows: Page 2, 2nd paragraph, 1st sentence should read "to go" instead of that the Council could go; Page 3, 3rd paragraph, last sentence should be Karl Street with a "K" instead of a "C"; Page 4, last paragraph, last sentence should add "off the road"; and Page 5, 1st paragraph, 1st sentence should read "Mayor Jon Tucci's cell phone rang." This last statement gives the comment about apologizing for the cell phone call context. No other Council members had corrections for the January 6, 2005 minutes. Councilman Charlie Hathaway made a motion to approve the January 6, 2005 minutes with corrections as presented. Councilman Dick John seconded the motion. The motion carried with three aye votes and zero no aye votes.

Mayor Pro Tem Betty Brooks called for the approval of the minutes from the January 13, 2005 Special Council meeting. Mayor Pro Tem Betty Brooks passed out typed copies of her corrections for the minutes and read them as follows: Page one, last paragraph, add, "Councilwoman Betty Brooks asked if it were possible to pay half of what is owed to the pension since the last City Finance Manager was partially responsible for the amount of $987.50 and that this amount was the Council's responsibility for this term. (2003-2004). City Manager Dan Minney and Mayor Jon Tucci said 'No.'" Councilman Charlie Hathaway then asked Mayor Pro Tem Betty Brooks if her corrections to the minutes were necessary since the work was done for June and July. Councilman Charlie Hathaway did not understand how the cost could be against the current Council. Fire Chief Mike Young explained that the $1,950.00 was an invoice received for work done from Hallet & Associates during this budget year to fix work that

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was not done by previous Finance Managers in 1999-2000. It was also stated that the former Finance Manager was aware of this problem and did not do any work to correct the problem. No other Council members had corrections to the minutes. Councilwoman Ella Clem made a motion to approve the January 13, 2005 minutes with corrections as presented. Councilman Dick John seconded the motion. The motion carried with three aye votes and zero no aye votes.

Councilman Charlie Hathaway requested that the Council move to Section 8 under New Business (Sanitary Board Bond Ordinance) since he had a gentleman in the audience he asked to show up to answer questions and did not want to keep him too long. Councilman Charlie Hathaway questioned Sanitary Board Director Ed Hubbs on the Sanitary Board Bond Ordinance being presented to Council for approval. Councilman Charlie Hathaway asked Sanitary Board Director Ed Hubbs if there were going to be a set of plans for the Ordinance located in the City Clerk's Office, since there were none there currently. Sanitary Board Director Ed Hubbs stated there would be a copy for the City Clerk's office. Councilman Charlie Hathaway stated that the project consists of replacing a 12" sewer line located along Stonecoal Creek from its mouth at the West Fork upstream to the Fess Pump Station and asked if the pump station was going to be replaced. Sanitary Board Director Ed Hubbs answered that the pump station would not be replaced and that it was strictly to replace the lines along the creek to the station. City Manager Dan Minney stated that he did obtain a preliminary set of plans for the proposed sewer upgrade from Sanitary Board Director Ed Hubbs before tonight's Council meeting and that E. L. Robinson Engineers will have a set of plans to the City Clerk's office within a week or so in case someone would like to review them. Councilman Charlie Hathaway expressed concern that the problem would be corrected along that area, and Sanitary Board Ed Hubbs stated that it would correct the problem in that area. He also stated that Robinson Engineers were taking the corrections in sections and that this was the first section that would be corrected. A second area may be the interceptor on the North Side of Westwork by the Municipal Building and that John Street would probably be the third area. This would be on both sides of Stonecoal and that there would be two crossings put in. Sanitary Board Director Ed Hubbs stated that the plans, as drawn, looked pretty sound. Councilman Charlie Hathaway thanked Sanitary Board Director Ed Hubbs for his time and patience. Councilman Charlie Hathaway then questioned City Attorney Tracey Weber, III, on the repayment of the Bond from the net revenue for the Sanitary Board. City Manager Dan Minney stated that the Pre Bid for the Ordinance would begin on March 17, 2005 at 1:00 p.m. in the Municipal Building Council Chambers and that the Bid Opening would take place on March 31, 2005 at 1:00 p.m. in the Municipal Building Council Chambers. Advertising for the Bond Ordinance is set to begin next week (February 14 to February 18, 2005). Councilman Charlie Hathaway also questioned whom the Issuer referred to in the Ordinance would be and who would be in charge of the records for this Bond. City Attorney Tracey Weber, III, stated that under the Code, the Sanitary Board would, as a "sister" corporation, be in charge of the record keeping, although there would be copies on file in the City Clerk's office. Mayor Pro Tem requested City Clerk Rebecca Pickens to proceed with the First Reading of the Sanitary Board Bond Ordinance by Caption: **"ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF WESTON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO."** Councilman Charlie Hathaway asked for reassurance that this bond would not incur any additional rate increases and was told by City Attorney Tracey Weber, III, and City Manager Dan Minney that it would not incur any rate increases. Councilman Charlie Hathaway made a motion to approve the

Sanitary Board Bond Ordinance on the first reading. Councilman Dick John seconded the motion. The motion carried with three aye votes and zero no aye votes.

Mayor Pro Tem Betty Brooks called for approval of the January 2005 Treasurer's Report. Councilman Charlie Hathaway made a motion to approve the January 2005 Treasurer's Report as presented. Councilman Dick John seconded the motion. The motion carried with three aye votes and zero no aye votes. Councilman Charlie Hathaway commented that it was an excellent job on the report. Mayor Pro Tem Betty Brooks questioned City Manager Dan Minney about a discussion they had the other day about tires and purchase orders, and City Manager Dan Minney stated that he had briefly taken care of the issue. Mayor Pro Tem Betty Brooks commented that it was a good, thorough report.

Mayor Pro Tem Betty Brooks called for approval of the January 2005 City Manager's Report. Councilwoman Ella Clem made a motion to accept the January 2005 City Manager's Report as presented. Councilman Dick John seconded the motion. The motion carried with three aye votes and zero no aye votes. Mayor Pro Tem Betty Brooks questioned City Manager Dan Minney on why the retirement portion for the City Manager in the Budget Analysis was over 179%. City Manager Dan Minney stated that it may have been a budget error and Finance Manager Vickie McCall stated that there were still some things that needed cleaned up from 2003-2004. Mayor Pro Tem Betty Brooks asked where this budget had come from and stated that this budget was not the one she had approved in March 2004. Councilman Charlie Hathaway stated that this was the budget on record in Charleston but Mayor Pro Tem Betty Brooks stated that this was not the budget they approved. City Manager Dan Minney stated that there was no one in the office now to answer the questions about the budget that Council is asking. City Manager Dan Minney also stated that the budget in question was the one he had been using since July 1, 2004. Mayor Pro Tem Betty Brooks also questioned City Manager Dan Minney about ordering the journal books for the City Clerk's office so the City can prepare for the audit. City Manager Dan Minney stated that he would need approval from the Council to order the books since it would cost over one hundred dollars. Councilman Charlie Hathaway made a motion to give the City Manager and City Clerk approval to order the record books and paper for the City Clerk's office. Councilwoman Ella Clem seconded the motion. The motion carried with three aye votes and zero no aye votes.

Mayor Pro Tem Betty Brooks called for approval of the January 2005 Fire Department Report. Councilwoman Ella Clem made a motion to accept the January 2005 Fire Department Report. Councilman Dick John seconded the motion. The motion carried with three aye votes and zero no aye votes.

Mayor Pro Tem Betty Brooks called for approval of the January 2005 Police Department Report. Councilwoman Ella Clem made a motion to accept the January 2005 Police Department Report. Councilman Dick John seconded the motion. The motion carried with three aye votes and zero no aye votes. Chief of Police Robbie Clem requested to move briefly to the New Business portion of the agenda to discuss the Pawn Shop Buyer and Seller's Report. Chief of Police Robbie Clem again stated that there have been a rash of B&E's in the area, and that the suspects are taking the items to pawn shops. He stated that other cities have drafted ordinances to the receipt of weapons and other items reported by pawnshops, which is currently not in the City of Weston's ordinances. Robert L. Bland Middle School has contacted chief of Police Robbie Clem about putting an officer back in the school. Chief of Police Robbie Clem told them that the City would not be able to at this time because the Police Department does not have the manpower. The school board does pick up the salary, but the City picks up the uniforms, insurance and other expenses. Councilman Charlie Hathaway requested Chief of Police Robbie Clem and City Manager Dan Minney to investigate the matter more thoroughly and have the officer in the school and the pawnshop report put back on the agenda for the March 7, 2005 meeting.

Mayor Pro Tem Betty Brooks called for approval of the January 2005 Street Department Report. She stated that it was a good report. Councilman Charlie Hathaway made a motion to accept the January 2005 Street Department Report as presented.

Councilman Dick John seconded the motion. The motion carried with three aye votes and zero no aye votes.

Mayor Pro Tem Betty Brooks noted that Building Inspector John Hogan was not present at the meeting. City Manager Dan Minney stated that Building Inspector John Hogan had doctor's appointment that he could not miss (not previously scheduled) and was unable to attend the meeting. Councilwoman Betty Brooks made a request (documented in the minutes) that the reports are to be in before 1:00 p.m. the Thursday before the meetings so the Council would have ample time to review the packets. Councilwoman Betty Brooks requested that City Manager Dan Minney remind Building Inspector John Hogan that he would need to have his reports in on time. Mayor Pro Tem Betty Brooks also mentioned that she had included the minutes from the 911 Advisory meeting in the packet for the Council. Councilman Charlie Hathaway made a motion to table the Building Inspector reports for December 2004 and January 2005. Councilwoman Ella Clem seconded the motion. The motion carried with three aye votes and zero no aye votes.

Citizen's Report

Councilwoman Ella Clem made a motion to table the Ruby Gumm complaint. Councilman Charlie Hathaway seconded the motion. The motion carried with three aye votes and zero no aye votes.

Old Business

-*Appalachian Software*: Finance Manager Vickie McCall explained to Council that to change over information at this time in the fiscal year would be very time-consuming if the City were to obtain new software. Councilwoman Betty Brooks stated that if the City pays that expenditure and if someone new would have to be trained on the new software, and then it would be extremely costly to train a new person. Councilman Charlie Hathaway made a motion that the City continue to pay ASI $2,160.00 to complete the fiscal year or until necessary for the City to move to Peachtree and/or Quicken. Councilwoman Ella Clem seconded the motion. The motion carried with three aye votes and zero no aye votes.

-*Personnel Policy*: City Attorney Tracey Weber, III, requested that the personnel policy be tabled until the next meeting to give him time to receive it back from the attorney. Councilwoman Ella Clem made a motion to table the personnel policy. Councilman Dick John seconded the motion. The motion carried with three aye votes and zero no aye votes.

-*B&O/Municipal Accounts*: Councilwoman Betty Brooks expressed that the City needed a motion to separate the accounts and to have new signature cards be created for them. Councilman Charlie Hathaway made a motion that the B&O and Municipal accounts be separated and that new signature cards be obtained and presented to the banks. Councilwoman Ella Clem seconded the motion. Mayor Pro Tem Betty Brooks asked whom the Council wanted on the signature cards and was told that the Mayor, Councilwoman Betty Brooks, City Manager Dan Minney and Finance Manger Vickie McCall were listed on the signature cards. Finance Manager Vickie McCall stated that it took two signatures on the checks. The motion carried with three aye votes and zero no aye votes.

New Business

-*EVOC*: Councilwoman Betty Brooks stated that she was the one to put this item on the agenda. EVOC stands for Emergency Vehicle Operations Classes. These classes are for the Fire, Street and Police Departments. City Manager Dan Minney was supposed to get in touch with John Carroll at the Emergency Department to set up times for the departments to take the classes. It was noted that the Fire Department and the Police Department personnel had already taken the classes. City Manager Dan Minney stated that the only department left to take the classes was the Street Department.

-*Municipal League Conference Approval*: Councilwoman Betty Brooks made a motion to reimburse Councilman Charlie Hathaway for his registration fee for the Municipal League Conference on February 20 and 21, 2005. Councilman Dick John

seconded the motion. The motion carried with three aye votes and one no aye vote from Ward IV, Councilman Charlie Hathaway, who opposed the motion.

-*Progress on Spring Cleanup*: City Manager Dan Minney stated that he had not spoke to any groups about the cleanup, but he had been in touch with Weston Transfer about coordinating efforts on the cleanup and asked about the Make It Shine program, which has an April deadline. Councilman Charlie Hathaway had questions for Mrs. Margie Brown from Weston Transfer. Councilman Charlie Hathaway had a complaint from John Thomas about the alley in the back of his house on Center Avenue going behind the old Stalnaker Funeral Home and asked if they had put their trash behind the house and it was not picked up. Mrs. Brown said that the trash in that alley is picked up from the back. She stated that the trash trucks either back in or pull in and back out since there is no place to turn around. She also stated that Mr. Thomas should have called the main office with the problem. Councilman Charlie Hathaway stated that the blacktop ends at Doctor Wagoner's house and the rest of the alley is mud and dirt based. Mrs. Brown suggested that John Thomas call the office to find out what can be worked out. Councilwoman Ella Clem made a motion to table the decision on the Make It Shine program until the March 2005 meeting of Council. Councilman Dick John seconded the motion. The motion carried with three aye votes and zero no aye votes.

-*Committee Members*: Councilman Charlie Hathaway made a motion to table the appointment of new committee members until the March 2005 meeting of Council. Councilman Dick John seconded the motion. The motion carried with three aye votes and zero no aye votes.

-*Fireman's Pension Board Request*: Fire Chief Mike Young once again came before the Council to request that a decision be made about whether or not to reimburse the Fireman's Pension Board for the invoice from Hallet Associates. Fire Chief Mike Young felt there needed to be a concrete decision about whether the City felt responsible for the invoice. Councilman Charlie Hathaway stated that he did not feel that any Council member disagreed about paying the bill. City Attorney Tracey Weber, III, questioned the responsibilities of Council for this invoice and felt it would be more of a political issue if the Council wanted to pay it or not instead of being a legal issue. City Manager Dan Minney stated that, to make it fair, he felt the Council should halve the cost of the invoices with both the Fireman's Pension Fund and the Policeman's Pension Fund. Councilman Dick John made a motion to pay one-half of the invoices from Hallet Associates for the Fireman's Pension Board and the Policeman's Pension Board as the monies become available. Councilwoman Ella Clem seconded the motion. The motion carried with three aye votes and zero no aye votes. Councilman Charlie Hathaway made a motion to request the City Attorney to bring up an ordinance and/or a resolution that the City of Weston divest itself of all pension fund liabilities in the future and that the Pension Boards would set up their own systems. Councilman Dick John seconded the motion. The motion carried with three aye votes and zero no aye votes. City Attorney Tracey Weber, III, stated that this move may not be legal for the Council to do that and that he would have to look into it before deciding further. He also stated that it would behoove the Council to mandate by resolution or ordinance how these issues would be handled in the future to prevent this issue from reoccurring. City Attorney Tracey Weber, III, requested to table that motion until he had time to look into the matter further about the true responsibilities of the City Council to the Pension Boards. Councilman Charlie Hathaway refused to withdraw his motion, therefore died for lack of a second.

-*Executive Session on Financial Matters*: City Attorney Tracey Weber, III, stated that he was not sure that the Council could have an executive session on financial matters unless it pertained to personnel. Councilwoman Ella Clem made a motion to table the executive session on financial matters until Mayor Jon Tucci's return. Councilman Dick John seconded the motion. The motion carried with three aye votes and zero no aye votes.

-*Executive Session on Personnel*: Councilwoman Ella Clem made a motion to go into executive session at 8:20 p.m. Councilman Dick John seconded the motion. The motion carried with three aye votes and zero no aye votes and Council adjourned into executive session, requesting that City Manager Dan Minney and City Attorney Tracey

Weber, III join them. At 8:55 p.m., Councilman Charlie Hathaway made a motion to come out of the executive session and return to regular session. Councilman Dick John seconded the motion. The motion carried with three aye votes and zero no aye votes.

Administrative and Ward Reports

-**City Manager Dan Minney** had nothing further to report.
-**Finance Manager Vickie McCall** noted that the State Auditor's were set to arrive on March 7, 2005 to audit for a two-year period.
-**City Attorney Tracey Weber, III**, had nothing further to report.
-**City Clerk Rebecca Pickens** had nothing further to report.
-**Ward I Councilman Dick John** had nothing further to report.
-**Ward II Councilwoman Ella Clem** asked Street Commissioner Bob Atchison what could be done with Williams Street from Camden Street on up. A citizen in the audience stated that the street was a mess and that the Street Department had brought a Bobcat in and tore it up then left it, which Street Commissioner Bob Atchison stated the City had not done. The citizen stated that when the street iced over in the winter, you could not travel on it at all or leave the house. City Manager Dan Minney stated that this was a problem to deal with because the City cannot go about Craig Street since it is not in the City limits, but the County was not willing to recognize the area and deal with it, either. City Attorney Tracey Weber, III, suggested to the citizens that they should create a petition for annexation and present it to the Lewis County Commissioners.
-**Ward III Councilwoman Betty Brooks** had nothing further to report.
-**Ward IV Councilman Charlie Hathaway** had nothing further to report, but he wanted to thank the Street Department for working on Court Avenue and to thank the Police Department for their work on John Street.
-**Mayor Pro Tem Betty Brooks** had nothing further to report.

Councilman Charlie Hathaway made a motion to adjourn the meeting. Councilwoman Ella Clem seconded the motion. The motion carried with three aye votes and zero no aye votes.

Betty Brooks, Mayor Pro Tem

Rebecca Pickens, City Clerk

City of Weston
102 West Second St.
Weston, WV 26452
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Jon J. Tucci, Mayor
Vickie McCall, Interim City Manager

Regular Council Meeting
March 7, 2005
Lewis County Senior Center

The Common Council of the City of Weston held its Regular Council Meeting on Monday, March 7, 2005 at 7:00 p.m. at the Lewis County Senior Center.

Present at the meeting were Mayor Jon Tucci; Councilman Dick John; Councilwoman Ella Clem; Councilwoman Betty Brooks; Councilman Charlie Hathaway; Interim City Manager Vickie McCall; City Clerk Rebecca Pickens; City Attorney Tracey Weber, III; Chief of Police Robbie Clem; Street Commissioner Bob Atchison; Building Inspector John Hogan; and Fire Chief Mike Young.

City Attorney Tracey Weber began the meeting by explaining that Jackson & Kelley, the attorneys involved in the Sanitary Board Bond Ordinance matter, were not able to attend the meeting. Clerk Rebecca Pickens read the ordinance for the second time by caption: "**ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF WESTON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.**" Mayor Jon Tucci then entertained from Council a motion to pass the ordinance on the second reading. Councilwoman Ella Clem made the motion to accept the Sanitary Board Bond Ordinance on the second reading. Councilman Dick John seconded the motion. The motion carried with 4 aye votes and zero no aye votes.

Mayor Jon Tucci stated that at this time Attorney Jim Stacey in the Curtis matter was present and that they would need a motion to go into executive session. Councilwoman Betty Brooks made a motion to go into executive session on police personnel at 7:10 p.m. Councilwoman Ella Clem seconded the motion. The motion carried with 4 aye votes and zero no aye votes.

Councilman Charlie Hathaway made a motion to come out of executive session into regular session at 8:00 p.m. Councilwoman Betty Brooks seconded the motion. The motion carried with 4 aye votes and zero no aye votes.

Visitor Sharon Toms was unable to attend the meeting due to an illness in her family, as related to Council by Interim City Manager Vickie McCall.

Dr. John Williams gave a committee report on the Weston Activity Center by Weston Sustainable West Virginia. Dr. Williams thanked Council for giving him the opportunity to come before them and speak. Dr. Williams pointed out the memorandum that was placed in their packets relating to the Weston Activity Center. It was reported that there might be a new building and a couple of new partners for the project. Dr. Williams the pointed out that he wanted Council to pass a resolution to join with a new non-profit organization to help encourage the growth of the Weston Activity Center. Councilwoman Brooks asked Dr. Williams where the new building is located and Dr. Williams said that he would prefer not to name the buildings at this time until there have been steps taken to prevent the buildings being sold out from under the Center. Dr. Williams is requesting Council to put down $500.00 in earnest money to the realtor to prevent the early sale of the new building. Councilman Charlie Hathaway asked if the

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$500.00 would be 10% of the money and Dr. Williams said that it would be 1% of the total grant money. Mayor Jon Tucci asked if the total $50,000.00 would pay for the building in its entirety. Dr. Williams stated that the grant money would pay for about half of the building cost. Councilwoman Betty Brooks asked if Dr. Williams had asked Louis Bennett Public Library for use of one of their empty floors. City Attorney Tracey Weber III stated to Councilwoman Betty Brooks that the library was in really bad shape. Mayor Jon Tucci thank Dr. Williams for his time and stated that the City would have to have their attorney review the paperwork and get back to him.

Mayor Jon Tucci moved on to the approval of minutes. Councilwoman Betty Brooks passed out a written copy of corrections for the February 7, 2005 meeting of Council. On the first page, second paragraph, last sentence, third word over should read Betty Jo Brooks. On the second page, third paragraph, eighth sentence down should read Sanitary Board Director Ed Hubbs stated there would be a copy for the City Clerk's office. Page four, third paragraph, eighth sentence should be drafted, not crafted, and read to include receipt of weapons and other items. Finally, page seven, first paragraph, last sentence should read therefore died of lack of a second. Councilwoman Betty Brooks made a motion to approve the February 7, 2005 minutes as amended and presented. Councilman Dick John seconded the motion. The motion carried with 4 aye votes and zero no aye votes.

Councilwoman Betty Brooks passed out a written copy of corrections for the February 17, 2005 meeting of Council. Page two, sixth paragraph, fifth sentence should also read after Young, "then giving raises." Page three, second paragraph, fifth sentence should read "it" instead of if. Councilwoman Ella Clem made a motion to approve the February 17, 2005 minutes as amended and presented. Councilman Dick John seconded the motion. The motion carried with 4 aye votes and zero no aye votes.

Councilwoman Betty Brooks made a motion to approve the February 2005 financial report as presented to Council. Councilman Charlie Hathaway seconded the motion. The motion carried with 4 aye votes and zero no aye votes. Councilwoman Betty Brooks asked why there was no breakdown on the arrearages in the report and Interim City Manager Vickie McCall stated that the numbers had not been posted to the system at that time and that she would give Councilwoman Betty Brooks a breakdown of the report if she wanted one.

Councilman Charlie Hathaway made a motion to approve the February 2005 Interim City Manager's report as presented to Council. Councilwoman Betty Brooks seconded the motion. The motion carried with 4 aye votes and zero no aye votes. Councilwoman Betty Brooks questioned which year was supposed to be in the report under the Auditor's report section and had that matter clarified by Interim City Manager Vickie McCall that it would be 2002-2003 first audited and 2003-2004 audited secondly.

Mayor Jon Tucci entertained moving on to the Department Reports. Councilwoman Ella Clem made the motion to accept the February 2005 Fire Department report. Councilman Dick John seconded the motion. The motion carried with 4 aye votes and zero no aye votes.

Mayor Jon Tucci brought up the issue of the Housing Authority appointment under new business. Mayor Jon Tucci began asking who was on each board and committee for legal purposes. Mayor Jon Tucci stated that he knew Richard Bennett had resigned from the Police Civil Service Board. Larry Brown and Shelly Posey are on the Board, and Larry Bush replaced Richard Bennett. Councilwoman Betty Brooks asked that since the Board was 2 years would they have to be reappointed in July 2005. Mayor Jon Tucci requested City Clerk Rebecca Pickens to begin calling people by phone to see if they were still serving on the Boards they were originally nominated to and to see when they were appointed. The Police Pension Board currently has Officer Thomas, Officer Flanigan and Mayor Jon Tucci as members. Mayor Jon Tucci requested Chief of Police Robbie Clem ask his officers who would be interested in serving on the Police Civil Service Board and when their dates of appointment began. The Fireman's Civil Service Board currently only has Eric Paugh as the fireman's choice. Fire Chief Mike Young stated that he was working with City Attorney Tracey Weber III in getting the State Labor Board to appoint another member. Councilman Dick John made a motion to appoint Bob Nicholson to the Fireman's Civil Service Board. Councilwoman Ella Clem seconded the motion. The motion carried with 4 aye votes and zero no aye votes. The Fireman's Pension Board has stayed the same except for the removal of Golden Hamrick. Fire Chief Mike Young stated that the Fireman's Pension Board is comprised of the four duty officers and the Mayor. The Parking Committee consists of Larry Skinner, Pat

Reckart, Robbie Clem and Dave Lester. Councilwoman Betty Brooks pointed out that Pat Reckart is sick and may not want to serve. Councilman Charlie Hathaway pointed out that there needed to be another member on the Fireman's Pension Board. Fire Chief Mike Young stated that the City Clerk was usually involved in the past in the Pension Boards. Mayor Jon Tucci stated that City Clerk Rebecca Pickens would be placed on the Fireman's Pension Board and work in the Mayor's capacity if he were unable to attend.

Mayor Jon Tucci then moved to continue on with the approval of the Department Head Reports. Councilwoman Ella Clem made a motion to accept the February 2005 Police Department Report. Councilman Dick John seconded the motion. The motion carried with 4 aye votes and zero no aye votes. Chief of Police Robbie Clem stated that one person showed up for the physical agility testing and he passed the test. It was stated that Officer Holcomb did call the candidates for the testing. Councilman Dick John asked how many were invited and Chief of Police Robbie Clem stated that five were invited to take the test and they all confirmed that they would be there. Chief of Police Robbie Clem also stated that he had a request for a handicapped spot on East First Street by the Courthouse where the last meter was placed. There is a citizen concerned about the handicapped-parking situation at the Courthouse. Councilman Dick John asked Council to table the matter until he had a chance to talk to the County Clerk, Mary Lou Myers. Chief of Police Robbie Clem also stated that he needed to get the officers qualified on ammunition and that the cost would be around $500.00 to $600.00. Councilwoman Betty Brooks asked when the last extension on this would be and Chief of Police Robbie Clem stated that the qualification for the year expired on February 28, 2005. Interim City Manager Vickie McCall asked Chief of Police Robbie Clem who the vendor was (HK Supplies, Clarksburg) and asked him to call and see if they would work on 60-90 day terms. Councilman Charlie Hathaway asked about the parking meters that came up missing. Chief of Police Robbie Clem stated that there had been an arrest made and that a total of 24 meters had been broken into. The person is in jail and is to pay restitution back to the City.

Mayor Jon Tucci moved briefly to the item concerning police officer resignations and stated that he had received a letter of resignation on February 26, 2005 from Officer Stanley Herrod II. Councilman Dick John made a motion to accept the resignation of Officer Stanley Herrod II effective March 8, 2005. Councilwoman Betty Brooks seconded the motion. The motion carried with 4 aye votes and zero no aye votes. Mayor Jon Tucci also received a letter of resignation on February 25, 2005 from Sergeant Randall Z. Posey. Councilman Charlie Hathaway made a motion to accept the resignation as listed. There was no second and the motion died for lack of a second. Mayor Jon Tucci stated that the resignation was not accepted. Councilman Charlie Hathaway called for a ward vote but that could not be done since there was no second on the motion. Councilman Dick John made a motion to not accept the resignation of Sergeant Posey. Councilwoman Ella Clem seconded the vote. The motion was voted on by ward: Ward I **aye**; Ward II **aye**; Ward III **abstain**; Ward IV **no aye**. The motion carried two to one. Mayor Jon Tucci requested Chief of Police Robbie Clem to inform Sergeant Posey that he is still employed by the City of Weston. Mayor Jon Tucci stated that he had received a letter on March 4, 2005 to rescind the resignation presented by Sergeant Randall Z. Posey. Councilman Dick John responded to a comment from the audience by saying that the reason Sergeant Posey rescinded his resignation was for the fact that his pension could not be transferred to the other job.

Councilwoman Betty Brooks made a motion to approve the February 2005 Street Department report. Councilwoman Ella Clem seconded the motion. The motion carried with 4 aye votes and zero no aye votes. Councilwoman Ella Clem addressed an issue a citizen had brought up to her with the Street Commissioner about the language that was used in the office one day during a phone call. Street Commissioner Bob Atchison said that the incident did not happen as the woman said it did, that the woman was the one that used the bad language. Councilwoman Ella Clem also asked Street Commissioner Bob Atchison if there was a way for the Street Department to be out before 7:00 a.m. to plow the streets. Street Commissioner Bob Atchison said that the Department is out as early as it can be when it gets bad since there is an advised time to come out. Street Commissioner Bob Atchison said that he was out early that morning and that the roads were not bad.

Building Inspector John Hogan stated that the reports are not in the packets and have not been in there the past two times. Councilwoman Betty Brooks commented that the applications and the forms look really good. Building Inspector John Hogan stated

that there would be five danger signs going up this week. Councilman Charlie Hathaway asked Building Inspector John Hogan about a letter to 327 North River Avenue. Building Inspector John Hogan told Council that there would be a file in the City Clerk's office for each Ward containing information for each Ward person. Councilwoman Betty Brooks made a motion to approve the forms presented by Building Inspector John Hogan. Councilwoman Ella Clem seconded the motion. The motion carried with 4 aye votes and zero no aye votes. Building Inspector John Hogan stated for the audience a comment about the Historic Landmarks Commission: The Historical Society needs to have a meets and bounds done according to the National Registry. A historical survey and other papers have to be completed to have an official historic district.

Old Business

-City Attorney Tracey Weber III stated that he had worked heavily on the policy lately and had forwarded it to a partner to put final touches on it. City Attorney Tracey Weber III promised Council that he would have a draft to Council in two weeks for their approval.

-Chief of Police Robbie Clem requested that Council table the issue regarding the police department pawnshop buyer and sellers report. Councilwoman Betty Brooks made a motion to table the police department pawnshop buyer and sellers report. Councilwoman Ella Clem seconded the motion. The motion carried with 4 aye votes and zero no aye votes.

-Officer in the Middle School: Chief of Police Robbie Clem stated that at this time the Department does not have enough officers to place one in the Middle School and requested that the issue be tabled. Councilwoman Betty Brooks made a motion to table the issue of placing an officer in the Middle School. Councilwoman Ella Clem seconded the motion. The motion carried with 4 aye votes and zero no aye votes.

-Progress on Spring Cleanup: City Clerk Rebecca Pickens stated that she had spoke to Margie Brown from Weston Transfer to set up a meeting later on to begin the foundation work on the project. Councilwoman Betty Brooks stated that she had spoke to the Street Commissioner about taking on the area from Weston Transfer to Bob Golden's auto place (Donlan Heights) about cleaning that area on the hillside.

-Mayor Jon Tucci continued on with the appointment of new committee members at the behest of Councilman Charlie Hathaway.

-*Parking Committee*: Larry Skinner; Pat Reckart; Robbie Clem; Dave Lester. Chief of Police Robbie Clem recommended that Parking Enforcement Officer Junior Ryder be placed on the Parking Committee. Councilman Charlie Hathaway made a motion to add Junior Ryder to the Parking Committee. Councilwoman Betty Brooks seconded the motion. The motion carried with 4 aye votes and zero no aye votes.

-*Municipal Service Fee Appeal Board*: Councilman Charlie Hathaway removed his name and added City Clerk Rebecca Pickens' name on it.

-*911 Advisory Committee*: Betty Brooks, Tom Fealy, Steve Mealey, Bill Rowan, Rick Stout, Jim Tatman, Frank Titus and Kevin Wiant. This committee will stay the same.

-*Weston Sanitary Board*: Bob Nicholson; Jon Tucci; Frank Angotti; Walt Gilbertson.

-*Cemetery Board*: Shirley Burkhart; Alan Evans; Julie Alkire; John Haller; Ella Clem. Councilman Charlie Hathaway said to take Alan Evans off and put Councilman Dick John on the Board.

-*Historic Landmarks Commission*: Councilman Charlie Hathaway said to take his name off the Commission. Building Inspector John Hogan suggested that his wife Mary Hogan might be on the committee and that he would ask her.

-*Weston Development Authority*: By membership vote/charter. Mayor Jon Tucci stated that the membership is by vote. Terry McAbee is still the president, Mary Hogan is Secretary, Bobby Piercy is Treasurer, and Regie Hawver is the Executive Director. These names have not changed.

-*Weston Hospital Revitalization Committee*: Mayor Jon Tucci stated he did not know about this group. Councilwoman Betty Brooks stated that she thought the members were the same except they were now looking for a new building.

-*Lewis County Chamber of Commerce*: Mayor Jon Tucci asked if Council is supposed to have a representative on it. Pat Minehardt in the audience stated that she could find nothing in the bylaws stating that Council needed to have a representative although they were always welcome at the meetings.

Councilwoman Ella Clem pointed out that the list was missing the *Lewis County Economic Development Authority*. Mayor Jon Tucci stated that the Mayor is Ex-officio of that organization. Councilwoman Betty Brooks made a motion to accept these changes to the committees as presented. Councilwoman Ella Clem seconded the motion. The motion carried with 4 aye votes and zero no aye votes. Mayor Jon Tucci asked City Clerk Rebecca Pickens to get Council a new list of Committees as soon as she had time.

-Ruby Gum complaint: Building Inspector John Hogan stated that her situation is a civil matter. He also stated that both he and Chief of Police Robbie Clem have very thick files on this matter and that the matter was getting old. Councilwoman Ella Clem pointed out that part of the situation in that neighborhood is nothing but a neighborhood feud that has been going on for years. Building Inspector John Hogan stated that the new forms might begin clearing up the problem.

Councilwoman Betty Brooks made a motion to go into executive session on personnel at 9:07 p.m. Councilwoman Ella Clem seconded the motion. The motion carried with 4 aye votes and zero no aye votes.

Councilwoman Ella Clem made a motion to come out of executive session at 9:30 p.m. Councilwoman Betty Brooks seconded the motion. The motion carried with 4 aye votes and zero no aye votes.

New Business

-Eck Arnold's yellow line: Mr. Arnold was not in attendance and no one from Ward IV wanted to speak on the subject. Mayor Jon Tucci moved on from the matter.

-531 West Second Street Alley: Interim City Manager Vickie McCall stated that a citizen named Stu had called in about a discrepancy on the alley and the maintenance of it. Fire Chief Mike Young stated that the gentleman wants the alley maintained by the City. Mayor Jon Tucci commented that the gentleman would have to present himself before Council on the matter.

-Local Economic Development Assistance Grant Award: Dr. John Williams discussed the $50,000.00 award during his presentation.

-Nuisance Ordinance: Mayor Jon Tucci stated that this had to deal with the fire siren and also CB's in Weston. Clarence Hitt made a presentation to Council concerning the illegal radios being used in Weston. The gentleman lives outside of City limits. He stated that he has been threatened by the people owning the illegal equipment because he talks on the CB radio. Chief of Police Robbie Clem stated that he would call the FCC about the issue. Fire Chief Mike Young stated that the FCC has a law about the wattage on the antennas but they do not actively monitor this wattage unless by request. Fire Chief Mike Young also said that it would behoove Council to send an official request to Richard M. Kane from the FCC to have him come in a monitor the frequencies used in Weston and the surrounding areas.

-Mayor Jon Tucci stated that he had received a call from Father McSweeney regarding the fire whistle on the City building. Councilwoman Betty Brooks stated that they were going to move it to Haleville School but it is being condemned. Councilman Dick John asked Fire Chief Mike Young if the department really needs the siren. Fire Chief Mike Young stated that when the siren was down, he did notice a decline in the number of volunteers that responded to the calls and that there are times that the volunteers cannot hear their pagers or receive the transmissions but they can hear the siren. Fire Chief Mike Young also said that they siren should be used as an early warning system in floods and other disasters. Councilwoman Betty Brooks suggested looking for money to move the siren from Homeland Security since it could be used for bomb threats and other attacks. Councilman Charlie Hathaway asked about the jake brakes on the trucks in the City limits.

-Board of Directors of Weston Housing Authority: Mayor Jon Tucci informed Council that Thomas Hinzman is resigning from the Board of Directors of the Weston Housing Authority. Councilwoman Betty Brooks made a motion accepting the resignation of Thomas Hinzman from the Board of Directors of the Weston Housing Authority. Councilwoman Ella Clem seconded the motion. The motion carried with 4 aye votes and zero no aye votes. Mayor Jon Tucci then called for the appointment of Jim Anderson as a replacement on the Weston Housing Authority. Councilman Dick John made a motion to appoint Jim Anderson to the Weston Housing Authority. Councilwoman Betty Brooks seconded the motion. The motion carried with 4 aye votes and zero no aye votes.

-Hiring process of new officer: Councilwoman Betty Brooks made a motion to table the hiring process of a new officer until the next regular Council meeting. Councilwoman Ella Clem seconded the motion. The motion carried with 4 aye votes and zero no aye votes.

-City Attorney Tracey Weber III asked if the police personnel policy is supposed to be different from the regular personnel policy. Councilwoman Betty Brooks stated that the two should be merged in some way. City Attorney Tracey Weber III asked if he should review the personnel policy from the Sanitary Board and merge it with the general personnel policy and Councilwoman Betty Brooks stated that he should do that, also.

-Good Friday Holiday: Interim City Manager Vickie McCall stated that the Sanitary Board had contacted her about whether the City was going to observe the Good Friday holiday. Councilwoman Betty Brooks asked if the City could afford to observe the holiday this year and Interim City Manager Vickie McCall stated that they could not. Councilwoman Betty Brooks made a motion to not observe Good Friday as a holiday for 2005 due to the financial situation. Councilwoman Ella Clem seconded the motion. The motion carried with 4 aye votes and zero no aye votes.

-City Wide Yard Sale: Councilwoman Betty Brooks stated that they would have to have a meeting to decide on the date of the yard sale. The date would be on Saturday, June 4, 2005 from 8:00 a.m. to 4:00 p.m. This is all tentative information at this time.

Administrative and Ward Reports

-Finance Manager Vickie McCall had nothing further to report.

-City Attorney Tracey Weber III had nothing further to report.

-City Clerk Rebecca Pickens stated that the minute books are mostly up to date.

-Ward I Councilman Dick John had nothing further to report.

-Ward II Councilwoman Ella Clem had nothing further to report.

-Ward III Councilwoman Betty Brooks had nothing further to report.

-Ward IV Councilman Charlie Hathaway just had words of praise for the City Clerk and Finance Manager and Street Commissioner Bob Atchison.

-Mayor Jon Tucci asked for a motion to adjourn.

Councilman Dick John made a motion to adjourn the meeting. Councilwoman Ella Clem seconded the motion. The motion carried with 4 aye votes and zero no aye votes.

Jon Tucci, Mayor

Rebecca Pickens

Rebecca Pickens, City Clerk

City of Weston
102 West Second St.
Weston, WV 26452
Phone 304-269-6141; Fax 304-269-7842; TTY 304-269-2413

Jon J. Tucci, Mayor
Vickie McCall, Interim City Manager

Regular Council Meeting
April 4, 2005
Lewis County Senior Center

The Common Council of the City of Weston held its regular monthly meeting on Monday, April 4, 2005 at 7:00 p.m. at the Lewis County Senior Center.

Mayor Jon Tucci called the meeting to order at 7:00 p.m. and asked City Clerk Rebecca Pickens to proceed with roll call. Present at the meeting: Mayor Jon Tucci; Councilman Dick John; Councilwoman Ella Clem; Councilwoman Betty Brooks; Councilman Charlie Hathaway; Interim City Manager Vickie McCall; Finance Manager Crystal Hixson; City Clerk Rebecca Pickens; Chief of Police Robbie Clem; Street Commissioner Bob Atchison; Building Inspector John Hogan; and Fire Chief Mike Young.

Mayor Jon Tucci moved to the first order of business, which was the public hearing and final reading of the Sanitary Board Bond Ordinance. Sammy Gee, an attorney from Jackson and Kelley, was present for the hearing and asked for any public comments regarding the ordinance. Councilman Charlie Hathaway questioned about the bids and how they had come in and was told by City Attorney Tracey Weber III that the bids had come in high, which left the Sanitary Board with two options: 1) Seek more grant money to cover the extra cost, or 2) Reengineer the project and only do one-half of the original work area. Councilman Charlie Hathaway also asked if this same ordinance would deal with the reapplication of the grant money if they had to reapply or if a new ordinance would have to be drawn up. City Attorney Tracey Weber III said that the Council could use the same ordinance as long as the Sanitary Board did not borrow more than one million dollars. Attorney Sammy Gee called for any final comments from the public, and there were none. Mayor Jon Tucci asked for the third official reading of the Sanitary Board Bond Ordinance by City Clerk Rebecca Pickens.

"ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF WESTON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO."

Councilwoman Ella Clem made a motion to pass the Sanitary Board Bond Ordinance as presented on the third and final reading. Councilman Dick John seconded the motion. The motion carried with four aye votes and zero no aye votes.

Mayor Jon Tucci then called for an executive session on personnel with Attorney Jim Stacey. Councilwoman Betty Brooks made a motion to go into executive session on personnel at 7:10 p.m. Councilman Charlie Hathaway seconded the motion. The motion carried with four aye votes and zero no aye votes.

Councilwoman Betty Brooks made a motion to come out of executive session and move back into regular session at 7:25 p.m. Councilman Dick John seconded the motion. The motion carried with four aye votes and zero no aye votes.

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Councilman Dick John made a motion to rehire David Curtis for the Police Department with the recommendations of the attorney and agreed upon by Council's decision. Councilman Charlie Hathaway seconded the motion. The motion carried with three aye votes and zero no aye votes and one abstentation from Councilwoman Betty Brooks.

Visitors

Mayor Jon Tucci invited the first speaker on the agenda, Joy Stalnaker from the Gold Dollar Days, to come forward. Ms. Stalnaker asked Council for a $500.00 donation to the Gold Dollar Days to help fund the event. Councilman Charlie Hathaway asked Interim City Manager Vickie McCall about the status of finances for the City, and both Councilman Charlie Hathaway and Interim City Manager Vickie McCall stated that, at this time, there is not enough money to donate to the Gold Dollar Days event. Shelley Posey, an audience member, stated to Council that this event is the only one left being held in the City of Weston this year. Fire Chief Mike Young commented that Ms. Posey must have forgotten about the 4th of July festivities that are held in the City every year. Ms. Stalnaker was asked when the date of the festival was and told Council that the Gold Dollar Days robbery would take place on June 25, 2005 at 1:00 p.m. Mayor Jon Tucci stated that Chief of Police Robbie Clem would need to shut of 1st Street and Center Avenue to control the traffic during the activities. Councilwoman Betty Brooks stated that the meters along that area would also have to be bagged.

John Williams was the next visitor on the agenda. He gave Council an update on the Weston Activity Center. Mr. Williams wanted the City to apply the $50,000.00 grant award they received toward acquiring a building for the Weston Activity Center. It was discussed that the money had not been solely allocated to acquiring a building for the Center and that some of the funds were to be used to do repairs on City Hall, that not all of the money was to be used to acquire the building.

The next visitor was Tom Kinley, a representative of Rapid Cable LLC in Colorado. He discussed the current buyout of Charter by Rapid Cable and explained some of the improvements Rapid was going to bring to the area, including high-speed cable modems. He then presented the resolution and extension of the agreement to extend the franchise to Council. Council and Interim City Manager Vickie McCall discussed with Mr. Kinley the possibility of increasing the franchise fee percentage if the Legislature were to approve an industry wide franchise increase. Mr. Kinley stated that the attorneys could add that to the extension of the franchise agreement if Council wished. Councilman Charlie Hathaway asked that the Franchise Agreement extension be added to the agenda for the April 19, 2005 special session of Council to give the attorneys time to amend the agreement to include the future increase in franchise fees. Councilman Charlie Hathaway then made a motion to accept the Resolution approving the transfer of the Franchise agreement between Charter Communications and Rapid Communications, LLC. Councilman Dick John seconded the motion. The motion carried with four aye votes and zero no aye votes.

Councilwoman Betty Brooks then asked if Joy Stalnaker could be brought back before Council. Councilwoman Betty Brooks stated that Council, as individuals, had personally agreed to donate $50.00 a piece to Gold Dollar Days and Joy Stalnaker, for a total of $200.00. Joy Stalnaker thanked Council and stated that the checks could be made out the WHLC.

An added visitor for the evening was John Rogers, who had a question to ask about a house on Bennett Avenue that Kenneth Frashoure owned. Fire Chief Mike Young and Building Inspector John Hogan stated that the house had been condemned four or five years ago at the request of the owner and then the owner did nothing about it. Building Inspector John Hogan stated that he would place a yellow condemned sign on the house. Shelly Posey, in the audience, stated that if the Building Inspector was going to be condemning houses then the Council had better have the Building Code Appeals Board in place.

Approval of Minutes

Mayor Jon Tucci moved on to the approval of minutes for the five meetings in March 2005. Councilwoman Betty Brooks corrected the minutes from the March 3, 2005 Emergency Session of Council in writing. Councilwoman Betty Brooks made a motion to accept the minutes of the March 3, 2005 Emergency Session as corrected and

presented to Council. Councilman Charlie Hathaway seconded the motion. The motion carried with four aye votes and zero no aye votes.

Councilwoman Betty Brooks passed out written corrections for the March 7, 2005 Regular Session of Council. The corrections were as follows: Second page, third paragraph, sixth sentence, "The needed to be removed"; Sixth page, fourth paragraph, third sentence, ninth word should read Hawver instead of Hawber; Pages seven and eight are not in order. Councilwoman Betty Brooks made a motion to accept the minutes of the March 7, 2005 Regular Session as corrected and presented to Council. Councilwoman Ella Clem seconded the motion. The motion carried with four aye votes and zero no aye votes.

Councilwoman Betty Brooks made a motion to approve the minutes of the March 10, 2005 Emergency Session of Council as presented to Council. Councilman Dick John seconded the motion. The motion carried with four aye votes and zero no aye votes.

Councilwoman Ella Clem made a motion to accept the minutes of the March 15, 2005 Special Session of Council as presented to Council. Councilman Dick John seconded the motion. The motion carried with four aye votes and zero no aye votes.

Councilwoman Betty Brooks made a motion to accept the minutes of the March 24, 2005 Special Session as presented to Council. Councilman Dick John seconded the motion. The motion carried with four aye votes and zero no aye votes.

Treasurer's Report

Councilman Charlie Hathaway commented that the total on both reports was the same but the amount in red was astonishing. Councilwoman Betty Brooks questioned the all funds vendor invoice and why the amount was so high. Interim City Manager Vickie McCall stated that it was listed in the system as an automatic obligation but it cleared as the payments were due Councilman Charlie Hathaway made a motion to accept the treasurer's report for March 2005 as presented to Council. Councilman Dick John seconded the motion. Councilwoman Betty Brooks commented that it was a good report. Councilman Charlie Hathaway commented that it was an excellent report. Mayor Jon Tucci called for a vote on the motion, and the motion carried with four aye votes and zero no aye votes.

Interim City Manager Report

Councilman Charlie Hathaway made a motion to accept the Interim City Manager report for March 2005 as presented to Council. Councilman Dick John seconded the motion. Councilwoman Betty Brooks commented that on the Streetscape project, the Committee had met and picked out a design area, that committee consisting of Bob Nicholson, Councilwoman Ella Clem, Councilwoman Betty Brooks and Dan Minney. The Commercial Insurance was also discussed, with Council saying they had decided on the Terrorism coverage in the 2003/2004 minutes. Mayor Jon Tucci called for a vote on the motion on the table and the motion carried with four aye votes and zero no aye votes.

Fire Department Report

Fire Chief Mike Young apologized for not having a report in this month's packet due to his computer crashing. Councilwoman Betty Brooks made a motion to table the March 2005 Fire Department report until the next regular meeting of Council. Councilwoman Ella Clem seconded the motion. The motion carried with four aye votes and zero no aye votes.

Police Department Report

Councilman Charlie Hathaway made a motion to accept the March 2005 Police Department report with reservations. Councilman Dick John seconded the motion. The motion carried with four aye votes and zero no aye votes. Chief of Police Robbie Clem noted that the immobolizer boot had effectively aided in the collection of around $1,000.00 in unpaid parking tickets. Councilwoman Betty Brooks questioned Chief of Police Robbie Clem about 718 Cliff Street and the problems there.

Street Department Report

Councilwoman Ella Clem made a motion to accept the March 2005 Street Department report as presented to Council. Councilman Dick John seconded the motion. Councilwoman Betty Brooks thanked Street Commissioner Bob Atchison for the two

French drains in the Haleville area. The motion carried with four aye votes and zero no aye votes.

Building Inspector Reports

Councilwoman Betty Brooks made a motion to accept the November 2004, January 2005, February 2005 and March 2005 Building Inspector reports as presented to Council. Councilman Dick John seconded the motion. The motion carried with four aye votes and zero no aye votes.

Old Business

Chief of Police Robbie Clem requested that the pawnshop buyer and seller report and the officer replacement discussion be tabled until a future meeting. Councilman Charlie Hathaway made a motion to table the pawnshop buyer and seller report and the officer replacement discussion. Councilwoman Betty Brooks seconded the motion. The motion carried with four aye votes and zero no aye votes.

Councilwoman Ella Clem made a motion to table the discussion on the officer in the Middle School until the next regular meeting of Council. Councilwoman Betty Brooks seconded the motion. The motion carried with four aye votes and zero no aye votes.

Councilman Dick John stated that the County Commission had discussed a handicapped spot by the Courthouse on East 1st Street and had decided not to proceed with one at this time.

Councilwoman Betty Brooks made a motion to table the personnel policy until the next regular meeting of Council. Councilman Charlie Hathaway seconded the motion. The motion carried with four aye votes and zero no aye votes.

New Business

Councilwoman Ella Clem made a motion to table the road tolls for the Fire Department until the April 19, 2005 Special Session of Council. Councilwoman Betty Brooks seconded the motion. Fire Chief Mike Young stated that the issue would have to be decided then since the first road toll would be scheduled for the first weekend of May 2005. The motion carried with four aye votes and zero no aye votes.

Councilman Dick John brought up the Weston Development Authority and receiving a treasurer's report from the group. Mayor Jon Tucci stated that Council could contact Mary Hogan to get a treasurer's report for the Weston Development Authority and that the Authority meets the last Tuesday of every month at 7:00 p.m.

Interim City Manager Vickie McCall explained the excess liability coverage to Council and stated that it was an umbrella policy that would cover not only the City but also the Council members. The amount required for the policy had already been budgeted for the 2005-2006 fiscal year. Councilwoman Betty Brooks made a motion to approve acquiring the excess liability coverage. Councilman Charlie Hathaway seconded the motion. The motion carried with four aye votes and zero no aye votes.

The department head evaluation schedule was discussed. Councilman Charlie Hathaway stated that he thought it was the City Manager's job to do the evaluations for the Department Heads and that the City Council would do the evaluation on the City Manager. Councilwoman Betty Brooks stated she would like to see the results by the May 2, 2005 Regular Session of Council.

City Clerk Rebecca Pickens asked for a confirmation of the date of the citywide yard sale. Councilwoman Betty Brooks mentioned that there were quite a few things going on outside the City during the time of the yard sale and suggested we move the date to the first Saturday in August 2005 (August 5, 2005). Councilwoman Betty Brooks asked City Clerk Rebecca Pickens to check with the Chamber of Commerce to see if there was anything else scheduled on that date.

Interim City Manager Vickie McCall asked for Council to make a motion to proceed with the Governmental Accounting Standards Board (GASB) requirement for all municipalities. Councilman Charlie Hathaway made a motion to being the GASB process retroactive for the 2003-2004 fiscal year budget with a minimum cap at $5,000.00. Councilman Dick John seconded the motion. The motion carried with four aye votes and zero no aye votes.

Interim City Manager Vickie McCall asked Council for permission to send Building Inspector John Hogan to the WV Code Officials Association 2005 Seminar on May 12-13, 2005. The cost would be $150.00 for registration and Building Inspector

John Hogan had agreed to pay for his own room and board. Councilwoman Betty Brooks made a motion to allow Building Inspector John Hogan to attend the seminar. Councilman Dick John seconded the motion. The motion carried with four aye votes and zero no aye votes.

Building Inspector John Hogan also brought up the issue of setting a precedent for new businesses in the area. He suggested that council consider the issue of B&O taxes for a new business and to only charge the taxes on the cost of the construction materials and exonerate the tax on labor. Building Inspector John Hogan also made an announcement that April 11, 2005 is the deadline to be out of the Old General Hospital building and the Old Bank Building. The Fire Marshall had come in and condemned the two buildings and ordered the eviction of the current tenants.

Mayor Jon Tucci moved on to the matter of the resignation of Shelley Posey from the Police Civil Service Commission. Councilwoman Betty Brooks made a motion to accept the resignation of Shelley Posey from the Police Civil Service Commission. Councilman Dick John seconded the motion. The motion carried with four aye votes and zero no aye votes.

Councilwoman Ella Clem made a motion to table the appointment by Council of a person to the Police Civil Service Commission until the April 19, 2005 Special Session of Council. Councilwoman Betty Brooks seconded the motion. The motion carried with four aye votes and zero no aye votes.

John Williams then asked Council to appointment the members of their choice to the Historic Landmarks Commission from the list provided in the folder. Councilman Dick John made the motion to appoint Joy Stalnaker, Yanni Southhall and Shelley Posey to the Historic Landmarks Commission. Councilwoman Betty Brooks seconded the motion. The motion carried with four votes and zero no aye votes.

The final item of new business was the acceptance of Harris Lawn Service for Macphelah Cemetery. Councilwoman Betty Brooks questioned whether Harris would include the Arnold Hill Cemetery in the contract amount and if he was the cheapest the City had gotten in. Councilwoman Betty Brooks made a motion to table the mowing contracts until the April 19, 2005 Special Session of Council so these questions could be answered. Councilwoman Ella Clem seconded the motion. The motion carried with four aye votes and zero no aye votes.

Councilman Ward I Dick John had nothing further to report.
Councilwoman Ward II Ella Clem had nothing further to report.
Councilwoman Ward III Betty Brooks asked if anyone in the audience had something to say during her time and no one chose to speak.
Councilman Ward IV Charlie Hathaway had nothing further to report.
Interim City Manager Vickie McCall had nothing further to report.
Finance Manager Crystal Hixson had nothing further to report.
City Clerk Rebecca Pickens had nothing further to report.
City Attorney Tracey Weber III had nothing further to report.
Mayor Jon Tucci had nothing further to report.

Having no further business to discuss, Mayor Jon Tucci called for a motion to adjourn the meeting. Councilman Dick John made a motion to adjourn the meeting at 9:30 p.m. Councilwoman Ella Clem seconded the motion. The motion carried with four aye votes and zero no aye votes.

Jon Tucci, Mayor

Rebecca Pickens

Rebecca Pickens, City Clerk

CITY OF WESTON 2.10
SEWER REVENUE BONDS,
SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND)

MINUTES ON ADOPTION OF SUPPLEMENTAL RESOLUTION

On this 24th day of June, 2005, the undersigned City Clerk of the City of Weston (the "Issuer") hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the Council of the Issuer:

* * * * * * * * *

The Council of the Issuer met in regular session, pursuant to notice duly given, on the 6th day of June, 2005, in Weston, West Virginia, at the hour of 7:00 p.m.

PRESENT:	Jon Tucci	-	Mayor
	Rebecca Pickens	-	City Clerk
	Richard John	-	Councilmember
	Louella Clem	-	Councilmember
	Betty Brooks	-	Councilmember
	Charles Hathaway	-	Councilmember

ABSENT: None

The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it. He presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, PAYMENT SCHEDULE, SALE PRICE AND OTHER TERMS OF THE CITY OF WESTON SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND); AUTHORIZING AND APPROVING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, on motion duly made and seconded, it was unanimously ordered that 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.

Mayor

Rebecca J. Pickens
City Clerk

* * * * * * * * *

CERTIFICATION

I hereby certify that the foregoing action of the Council of the City of Weston remains in full force and effect and has not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature as of the date first written above.

Rebecca J. Rickens

City Clerk

05/31/05
100530/00308

CITY OF WESTON
NOTICE OF PUBLIC HEARING AND ABSTRACT OF BOND ORDINANCE

Notice is hereby given to any person interested that on March 7, 2005, the Council of the City of Weston (the "Issuer") adopted an ordinance which, among other things:

1. Authorized the acquisition and construction of certain additions, betterments and improvements (the "Project") to the Issueris existing sewerage system (the iSystemi) and the financing of the cost thereof, not otherwise provided, through the issuance of not more than $1,000,000 in aggregate principal amount of Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund) (the "Bonds").

2. Directed that the Bonds be issued in such principal amounts, bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates, mature on such dates and in such amounts and redeemable, in whole or in part, as prescribed in a supplemental resolution or in the Loan Agreement for the Bonds; authorized the execution and delivery of the Loan Agreement.

3. Directed the continuation of a revenue fund and the disposition of the revenues of the System; provided for the payment of operating expenses of the System and debt service on the Bonds; directed the creation of a sinking fund, a reserve account and a renewal and replacement fund for the Bonds; directed the creation of a bond construction trust fund and the disbursement of Bond proceeds.

4. Provided that the Bonds shall not be or constitute a corporate indebtedness of the Issuer within the meaning of any statutory or constitutional limitations, but shall be payable solely from the Net Revenues of the System; pledged the Net Revenues of the System to payment of the Bonds and established the rights of the registered owners of the Bonds to the Net Revenues of the System; provided certain conditions for the issuance of additional bonds.

5. Provided for insurance coverage on the Project and the System, enforcement of collection of rates and other charges for the System, and other covenants of the Issuer in favor of the registered owners of the Bonds.

6. Established the events of default and the remedies of the registered owners of the Bonds; provided for the modification or amendment of the Ordinance upon the terms and conditions set forth in the Ordinance.

The Issuer contemplates the issuance of the Bonds described in and under the conditions set forth in the Ordinance abstracted above. Any person interested may appear before the Council of the City of Weston at a regular meeting on April 4, 2005, at 7:00 p.m., at the Lewis County Senior Citizenis Center, 171 West Second Street, Weston, West Virginia, and present protests and be heard as to whether the above described Ordinance shall be put into effect.

A certified copy of the Ordinance as adopted by the Council is on file with the City Clerk for review by interested persons during the office hours of the City Hall.

Rebecca Pickens
City Clerk

PUBLISHER'S CERTIFICATE

_____

VS.

_____

STATE OF WEST VIRGINIA,
COUNTY OF HARRISON

I, SARA V. SHINGLETON

lassified Manager of THE EXPONENT-TELEGRAM, a newspaper of general circulation published in the City of Clarksburg, County and State aforesaid, do hereby certify that the annexed

Weston Sewer Revenue Bonds

was published in said THE EXPONENT-TELEGRAM once a week for 2 successive weeks,

commencing on the 23 day of March 20 05

and ending on the 30 day of March 20 05

The publisher's fee for said publication is $ 103.95

Given under my hand this 30 day of March 20 05

Sara V. Shingleton
Classified Manager of The Exponent-Telegram

SEAL

Subscribed and sworn to before me this 30 day of March, 20 05

Shelley F. Riffle
Notary Public in and for Harrison County, WV

My commission expires on the 21 day of July 2009.

OFFICIAL SEAL
NOTARY PUBLIC
STATE of WEST VIRGINIA
SHELLEY F. RIFFLE
Clarksburg Publishing Co.
PO Box 2000, 324 Lewes Ave.
Clarksburg, WV 26302-2000
My Commission Expires July 21, 2009

APR-4-2005 10:53A FROM:WESTON DEMOCRAT 13042694035 TO:13042844142 P.2/2

AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINIA,
COUNTY OF LEWIS, to wit:

I, ROBERT Y. SPENCE, being first duly
/orn upon my oath, do depose and say
at I am Editor of The Weston Democrat,
c., a corporation, publisher of the
ewspaper entitled The Weston
emocrat, a Democratic newspaper; that
iave been duly authorized by the board
directors of such corporation to execute
is affidavit of publication; that such
ewspaper has been published for more
an one year prior to publication of the
inexed notice described below; that such
ewspaper is regularly published weekly;
r at least fifty weeks during the calendar
ear; in the Municipality of Weston, Lewis
ounty, West Virginia; that such
ewspaper is a newspaper of "general
rculation", as that term is defined in
ticle three, chapter fifty-nine of the Code
West Virginia, 1931, as amended, within
e publication area or areas of the
oresaid municipality and Lewis County;
at such newspaper averages in length
ur or more pages exclusive of any cover,
er issue; that such newspaper is
rculated to the general public at a definite
ice or consideration; that such
ewspaper is a newspaper to which the
general public resorts for passing events of a political, religious, commercial and social nature, and for the current happenings, announcements, miscellaneous reading matters, advertisements, and other notices; that the annexed notice of Public Hearing and Abstract Bond was duly published in said newspaper once a week for two weeks (Class. II), commencing with the issue of the 23rd day of March, 2005 and ending with the issue of the 30th day of March, 2005; that said annexed notice was published on the following dates: March 23rd + 30th 2005.; and the cost of publishing said annexed notice as aforesaid was $113.00; total number of words: 587.

John Clise Editor

Taken, subscribed and sworn to before me in my said county this 31st day of March, 2005.

Elizabeth E. Bookholt

My commission expires April 20, 2014

Notary Public Lewis County, West Virginia.

OFFICIAL SEAL
STATE OF WEST VIRGINIA
NOTARY PUBLIC
ELIZABETH E. BOOKHOLT
621 NORTH RIVER AVENUE
WESTON, WV 26452
My commission expires April 20, 2014

LEGAL ADVERTISEMENT

CITY OF WESTON

NOTICE OF PUBLIC HEARING AND ABSTRACT OF BOND ORDINANCE

Notice is hereby given to any person interested that on March 7, 2005, the Council of the City of Weston (the "Issuer") adopted an ordinance which, among other things:

1. Authorized the acquisition and construction of certain additions, betterments and improvements (the "Project") to the Issuer's existing sewerage system (the "System") and the financing of the cost thereof, not otherwise provided, through the issuance of not more than $1,000,000 in aggregate principal amount of Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund) (the "Bonds").

2. Directed that the Bonds be issued in such principal amounts, bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates, mature on such dates and in such amounts and redeemable, in whole or in part, as prescribed in a supplemental resolution or in the Loan Agreement for the bonds; authorized the execution and delivery of the Loan Agreement.

3. Directed the continuation of a revenue fund and the disposition of the revenues of the System; provided for the payment of operating expenses of the System and debt service on the Bonds; directed the creation of a sinking fund, a reserve account and a renewal and replacement fund for the Bonds; directed the creation of a bond construction trust fund and the disbursement of Bond proceeds.

4. Provided that the Bonds shall not be or constitute a corporate indebtedness of the Issuer within the meaning of any statutory or constitutional limitations, but shall be payable solely from the Net Revenues of the System; pledged the Net Revenues of the System to payment of the Bonds and established the rights of the registered owners of the Bonds to the Net Revenues of the System; provided certain conditions for the issuance of additional bonds.

5. Provided for insurance coverage on the Project and the System, enforcement of collection of rates and other charges for the System, and other covenants of the Issuer in favor of the registered owners of the Bonds.

6. Established the events of default and the remedies of the registered owners of the Bonds; provided for the modification or amendment of the Ordinance upon the terms and conditions set forth in the Ordinance.

The Issuer contemplates the issuance of the Bonds described in and under the conditions set forth in the Ordinance abstracted above. Any person interested may appear before the Council of the City of Weston at a regular meeting on April 4, 2005, at 7:00 p.m., at the Lewis County Senior Citizen's Center, 171 West Second Street, Weston,

NUMBER
AR-1

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF WESTON
SEWER REVENUE BOND, SERIES 2005 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $597,037

KNOW ALL MEN BY THESE PRESENTS: That on this 24th day of June, 2005, the CITY OF WESTON, a municipal corporation and political subdivision of the State of West Virginia in Lewis 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 FIVE HUNDRED NINETY SEVEN THOUSAND THIRTY SEVEN DOLLARS ($597,037), 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 December 1, 2006, as set forth on the " Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Infrastructure Council, dated June 24, 2005.

SPECIMEN

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 this Bond and related costs. The existing public sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on April 4, 2005, and a Supplemental Resolution duly adopted by the Issuer on June 6, 2005 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) SEWER REVENUE BONDS, SERIES 1996, DATED DECEMBER 10, 1996, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $1,274,287; (2) SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 20, 2000, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $3,192,097; AND (3) SEWER REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 20, 2000, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $6,250,000 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the registered owners of the Prior Bonds and from moneys in the reserve account created under the Bond Legislation for this Bond (the "Series 2005 A Bonds Reserve Account"), and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, 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 statutory or constitutional limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2005 A Bonds Reserve Account and unexpended proceeds of this Bond. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for all operating expenses 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,

SPECIMEN

on this Bond, and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Prior Bonds; provided however, that so long as there exists in the Series 2005 A Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest, if any, which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with this Bond, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of this Bond are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, the CITY OF WESTON has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated as of the date first written above.

[SEAL]

Mayor

SPECIMEN

ATTEST:

Rebecca J. Rowens

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2005 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: June 24, 2005.

UNITED BANK, INC., as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$117,160	6/24/05	(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)	$	

SPECIMEN

TOTAL $_____

EXHIBIT B

$597,037

City of Weston (West Virginia)
40 Years, 0% Interest Rate,
Closing Date: June 24, 2005

SPECIMEN

Debt Service Schedule

Part 1 of 4

Date	Principal	Coupon	Total P+I
09/01/2005	-	-	-
12/01/2005	-	-	-
03/01/2006	-	-	-
06/01/2006	-	-	-
09/01/2006	-	-	-
12/01/2006	3,851.86	-	3,851.86
03/01/2007	3,851.86	-	3,851.86
06/01/2007	3,851.86	-	3,851.86
09/01/2007	3,851.86	-	3,851.86
12/01/2007	3,851.86	-	3,851.86
03/01/2008	3,851.86	-	3,851.86
06/01/2008	3,851.86	-	3,851.86
09/01/2008	3,851.86	-	3,851.86
12/01/2008	3,851.86	-	3,851.86
03/01/2009	3,851.86	-	3,851.86
06/01/2009	3,851.86	-	3,851.86
09/01/2009	3,851.86	-	3,851.86
12/01/2009	3,851.86	-	3,851.86
03/01/2010	3,851.86	-	3,851.86
06/01/2010	3,851.86	-	3,851.86
09/01/2010	3,851.86	-	3,851.86
12/01/2010	3,851.86	-	3,851.86
03/01/2011	3,851.86	-	3,851.86
06/01/2011	3,851.86	-	3,851.86
09/01/2011	3,851.86	-	3,851.86
12/01/2011	3,851.86	-	3,851.86
03/01/2012	3,851.86	-	3,851.86
06/01/2012	3,851.86	-	3,851.86
09/01/2012	3,851.86	-	3,851.86
12/01/2012	3,851.86	-	3,851.86
03/01/2013	3,851.85	-	3,851.85
06/01/2013	3,851.85	-	3,851.85
09/01/2013	3,851.85	-	3,851.85
12/01/2013	3,851.85	-	3,851.85
03/01/2014	3,851.85	-	3,851.85
06/01/2014	3,851.85	-	3,851.85
09/01/2014	3,851.85	-	3,851.85
12/01/2014	3,851.85	-	3,851.85
03/01/2015	3,851.85	-	3,851.85
06/01/2015	3,851.85	-	3,851.85
09/01/2015	3,851.85	-	3,851.85
12/01/2015	3,851.85	-	3,851.85
03/01/2016	3,851.85	-	3,851.85
06/01/2016	3,851.85	-	3,851.85

$597,037

City of Weston (West Virginia)
40 Years, 0% Interest Rate,
Closing Date: June 24, 2005

SPECIMEN

Debt Service Schedule

Part 2 of 4

Date	Principal	Coupon	Total P+I
09/01/2016	3,851.85	-	3,851.85
12/01/2016	3,851.85	-	3,851.85
03/01/2017	3,851.85	-	3,851.85
06/01/2017	3,851.85	-	3,851.85
09/01/2017	3,851.85	-	3,851.85
12/01/2017	3,851.85	-	3,851.85
03/01/2018	3,851.85	-	3,851.85
06/01/2018	3,851.85	-	3,851.85
09/01/2018	3,851.85	-	3,851.85
12/01/2018	3,851.85	-	3,851.85
03/01/2019	3,851.85	-	3,851.85
06/01/2019	3,851.85	-	3,851.85
09/01/2019	3,851.85	-	3,851.85
12/01/2019	3,851.85	-	3,851.85
03/01/2020	3,851.85	-	3,851.85
06/01/2020	3,851.85	-	3,851.85
09/01/2020	3,851.85	-	3,851.85
12/01/2020	3,851.85	-	3,851.85
03/01/2021	3,851.85	-	3,851.85
06/01/2021	3,851.85	-	3,851.85
09/01/2021	3,851.85	-	3,851.85
12/01/2021	3,851.85	-	3,851.85
03/01/2022	3,851.85	-	3,851.85
06/01/2022	3,851.85	-	3,851.85
09/01/2022	3,851.85	-	3,851.85
12/01/2022	3,851.85	-	3,851.85
03/01/2023	3,851.85	-	3,851.85
06/01/2023	3,851.85	-	3,851.85
09/01/2023	3,851.85	-	3,851.85
12/01/2023	3,851.85	-	3,851.85
03/01/2024	3,851.85	-	3,851.85
06/01/2024	3,851.85	-	3,851.85
09/01/2024	3,851.85	-	3,851.85
12/01/2024	3,851.85	-	3,851.85
03/01/2025	3,851.85	-	3,851.85
06/01/2025	3,851.85	-	3,851.85
09/01/2025	3,851.85	-	3,851.85
12/01/2025	3,851.85	-	3,851.85
03/01/2026	3,851.85	-	3,851.85
06/01/2026	3,851.85	-	3,851.85
09/01/2026	3,851.85	-	3,851.85
12/01/2026	3,851.85	-	3,851.85
03/01/2027	3,851.85	-	3,851.85
06/01/2027	3,851.85	-	3,851.85

SPECIMEN

$597,037

City of Weston (West Virginia)
40 Years, 0% Interest Rate,
Closing Date: June 24, 2005

Debt Service Schedule

Part 3 of 4

Date	Principal	Coupon	Total P+I
09/01/2027	3,851.85	-	3,851.85
12/01/2027	3,851.85	-	3,851.85
03/01/2028	3,851.85	-	3,851.85
06/01/2028	3,851.85	-	3,851.85
09/01/2028	3,851.85	-	3,851.85
12/01/2028	3,851.85	-	3,851.85
03/01/2029	3,851.85	-	3,851.85
06/01/2029	3,851.85	-	3,851.85
09/01/2029	3,851.85	-	3,851.85
12/01/2029	3,851.85	-	3,851.85
03/01/2030	3,851.85	-	3,851.85
06/01/2030	3,851.85	-	3,851.85
09/01/2030	3,851.85	-	3,851.85
12/01/2030	3,851.85	-	3,851.85
03/01/2031	3,851.85	-	3,851.85
06/01/2031	3,851.85	-	3,851.85
09/01/2031	3,851.85	-	3,851.85
12/01/2031	3,851.85	-	3,851.85
03/01/2032	3,851.85	-	3,851.85
06/01/2032	3,851.85	-	3,851.85
09/01/2032	3,851.85	-	3,851.85
12/01/2032	3,851.85	-	3,851.85
03/01/2033	3,851.85	-	3,851.85
06/01/2033	3,851.85	-	3,851.85
09/01/2033	3,851.85	-	3,851.85
12/01/2033	3,851.85	-	3,851.85
03/01/2034	3,851.85	-	3,851.85
06/01/2034	3,851.85	-	3,851.85
09/01/2034	3,851.85	-	3,851.85
12/01/2034	3,851.85	-	3,851.85
03/01/2035	3,851.85	-	3,851.85
06/01/2035	3,851.85	-	3,851.85
09/01/2035	3,851.85	-	3,851.85
12/01/2035	3,851.85	-	3,851.85
03/01/2036	3,851.85	-	3,851.85
06/01/2036	3,851.85	-	3,851.85
09/01/2036	3,851.85	-	3,851.85
12/01/2036	3,851.85	-	3,851.85
03/01/2037	3,851.85	-	3,851.85
06/01/2037	3,851.85	-	3,851.85
09/01/2037	3,851.85	-	3,851.85
12/01/2037	3,851.85	-	3,851.85
03/01/2038	3,851.85	-	3,851.85
06/01/2038	3,851.85	-	3,851.85

SPECIMEN

$597,037

City of Weston (West Virginia)
40 Years, 0% Interest Rate,
Closing Date: June 24, 2005

Debt Service Schedule

Part 4 of 4

Date	Principal	Coupon	Total P+I
09/01/2038	3,851.85	-	3,851.85
12/01/2038	3,851.85	-	3,851.85
03/01/2039	3,851.85	-	3,851.85
06/01/2039	3,851.85	-	3,851.85
09/01/2039	3,851.85	-	3,851.85
12/01/2039	3,851.85	-	3,851.85
03/01/2040	3,851.85	-	3,851.85
06/01/2040	3,851.85	-	3,851.85
09/01/2040	3,851.85	-	3,851.85
12/01/2040	3,851.85	-	3,851.85
03/01/2041	3,851.85	-	3,851.85
06/01/2041	3,851.85	-	3,851.85
09/01/2041	3,851.85	-	3,851.85
12/01/2041	3,851.85	-	3,851.85
03/01/2042	3,851.85	-	3,851.85
06/01/2042	3,851.85	-	3,851.85
09/01/2042	3,851.85	-	3,851.85
12/01/2042	3,851.85	-	3,851.85
03/01/2043	3,851.85	-	3,851.85
06/01/2043	3,851.85	-	3,851.85
09/01/2043	3,851.85	-	3,851.85
12/01/2043	3,851.85	-	3,851.85
03/01/2044	3,851.85	-	3,851.85
06/01/2044	3,851.85	-	3,851.85
09/01/2044	3,851.85	-	3,851.85
12/01/2044	3,851.85	-	3,851.85
03/01/2045	3,851.85	-	3,851.85
06/01/2045	3,851.85	-	3,851.85
Total	**$597,037.00**	-	**$597,037.00**

Yield Statistics

Bond Year Dollars	$12,350.37
Average Life	20.686 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	1.34E-10
Bond Yield for Arbitrage Purposes	1.34E-10
All Inclusive Cost (AIC)	1.34E-10

IRS Form 8038

Net Interest Cost	-
Weighted Average Maturity	20.686 Years

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

SPECIMEN

_____

BOND REGISTER 2.13

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF WESTON
SEWER REVENUE BONDS, SERIES 2005 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

Bond Number	Principal Amount	Date of Bond
No. AR-1	$597,037	June 24, 2005

NO WRITING ON THIS BOND REGISTER EXCEPT BY THE REGISTRAR

Name of Registered Owner:

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

Signature of Registrar:

United Bank, Inc.

Authorized Representative

05/16/05
100530/0C308

M0445930.1

CITY OF WESTON
SEWER REVENUE BOND, SERIES 1996

BOND ORDINANCE
(SRF)

$1,400,000 CITY OF WESTON
SEWER REVENUE BOND, SERIES 1996

BOND ORDINANCE

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BOND ORDINANCE

Introduced in Council

August 5, 1996

Passed by Council

August 19, 1996

Effective Date: September 3, 1996

Introduced by

John C. Burkhart, Mayor

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING WASTEWATER COLLECTION AND TREATMENT FACILITIES OF CITY OF WESTON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE OF NOT MORE THAN $1,400,000 IN AGGREGATE PRINCIPAL AMOUNT OF CITY OF WESTON, SEWER REVENUE BONDS, SERIES 1996; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SAID BOND; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND THE WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION RELATING TO SAID BOND; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SAID BOND; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ENACTED AND ORDAINED BY THE CITY COUNCIL OF THE CITY OF WESTON, WEST VIRGINIA:

ARTICLE I

STATUTORY AUTHORITY, DEFINITIONS AND FINDINGS

Section 1.01. Authority for this Ordinance. This Bond Ordinance (the "Ordinance") is adopted pursuant to the provisions of the Act, as hereinafter defined, and other applicable provisions of law.

Section 1.02. Definitions. The following terms shall have the following meanings herein unless the context expressly requires otherwise:

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

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Bonds, or any other agency of the State that succeeds to the functions of the Authority.

"Authorized Officer" means the Mayor of the Issuer or any other officer of the Issuer specifically designated by resolution of the Council, as hereinafter defined.

"Bondholders," "Holder of the Bonds," "Holder," "Registered Owner," "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 Register" means the books of the City as hereinafter defined, maintained by the Bond Registrar as hereinafter defined for the registration and transfer of the Bonds.

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

"Bonds" means the Series 1996 Bonds, originally authorized hereby, and any pari passu additional bonds hereafter issued within the terms, restrictions and conditions contained herein.

"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.

"Certificate of Authentication and Registration" means the certificate of authentication and registration on the Bonds in substantially the form set forth in the bond forms contained herein.

"Clerk" means the Clerk of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Bonds for at least a de minimis portion of the proceeds representing the purchase of the Bonds by the Authority and DEP.

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

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

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

"Construction Trust Fund" means the Series 1996 Bond Construction Trust Fund established by Section 5.01 hereof.

"Consulting Engineers" means Kelley, Gidley, Blair & Wolfe, Inc., Charleston, West Virginia, or any engineer or firm of engineers of reputation for skill and experience with respect to the design and construction of sewerage systems or facilities that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System or portion thereof; 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" or any similar phrase means those costs described in Section 1.04H hereof to be a part of the cost of construction and acquisition of the Project.

"Council" means the City Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Council as presently constituted.

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the Series 1996 Bonds, as hereinafter defined, during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

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

"Depository Bank" means a bank eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC, as hereinafter defined, and any successor thereto, which Depository Bank shall be named in the Supplemental Resolution.

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

(A) The excess of

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

(ii) The amount that would have been earned if the Yield on such Nonpurpose Investments [other than amounts attributable to an excess

described in this clause (A) of this definition of Excess Investment Earnings] had been equal to the Yield on the Bonds, plus

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

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

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

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

"Grant Agreement" means a written commitment for the payment of the Grants or any of the Other Grants, as hereinafter defined, 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; provided that, "SCBG Agreement" means only the Grant Agreement relating to the SCBG.

"Grant Receipts" means all moneys received by the Issuer on account of any Grant to pay Costs of the Project; provided that "SCBG Receipts" means only the Grant Receipts on account of the SCBG.

"Grants" means the SCBG or any other Grant received by the Issuer to pay costs of the Project.

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

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

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

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

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

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

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

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

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

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and

reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined), or any Tap Fees, as hereinafter defined.

"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.

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

"Issuer" or "City" means the City of Weston, a municipal corporation and political subdivision of the State in Lewis County, West Virginia, and unless the context clearly indicates otherwise, includes the Council and the Sanitary Board of the Issuer.

"Loan Agreement" means the Water Pollution Control Revolving Fund Loan Agreement to be entered into by and among the Authority, the DEP and the Issuer providing for the purchase of the Bonds from the Issuer by the Authority, the form of which is attached as Exhibit B hereto and incorporated herein by reference.

"Mayor" means the Mayor of the Issuer.

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

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

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

"Operating Expenses" 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 of Project, fees and expenses of the Authority, fiscal agents, the Depository Bank, Registrar and Paying Agent, other than those capitalized as part of the Costs of Project, 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 and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond canceled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; and (iv) for purposes of consents, notices or other action by a specified percentage of Bondholders, any Bonds registered to the Issuer.

"Ordinance," regardless of whether preceded by the article "the" or "this," means this Ordinance as it may hereafter from time to time be amended or supplemented.

"Parity Bonds" means additional Bonds issued under the provisions and within the limitations prescribed by Section 7.08 hereof.

"Paying Agent" means the Commission or other entity or authority designated as such for the Series 1996 Bonds in the Supplemental Resolution with the written consent of the Authority and the DEP.

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

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

"Project" means the acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of by the Issuer, substantially as described in Exhibit A attached hereto and incorporated herein by reference.

"PSC" means the Public Service Commission of West Virginia and any successors to the functions thereof.

"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; the Governmental National Mortgage Association; the Tennessee Valley Authority or the Washington Metropolitan Area Transit Authority;

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

(e) Time accounts, (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC, shall be secured by a pledge of Government Obligations, provided, that such Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time account 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, the only assets of which 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 paid repurchase agreements, and provided further that the owner of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

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

(h) Obligations of states or political subdivisions or agencies thereof, the interest on which is exempt 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.

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by Section 5.01(2) hereof.

"Reserve Account" means the account in the Sinking Fund, as hereafter defined, created by Section 5.02(1)(a) hereof.

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

"Revenue Fund" means the Revenue Fund established by Section 5.01(1) hereof.

"SCBG" means the grant from the Small Cities Block Grant in the amount of $750,000.

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

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

"Series 1996 Bonds" or similar phrases means the not more than $1,400.000 in aggregate principal amount of Sewer Revenue Bond, Series 1996 of the Issuer.

"Sinking Fund" means the Sinking Fund established by Section 5 02(1) hereof.

"State" means the State of West Virginia.

"Supplemental Resolution" means any ordinance or resolution 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 the Bonds. provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect the Bonds 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 or security for the Bonds or any other obligations of the Issuer, including but not limited to the Renewal and Replacement Fund and the Reserve Account.

"System" means the public service properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, owned by the Issuer, and any improvements or extensions thereto, both within and without the boundaries of the Issuer.

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

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

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

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

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

Section 1.03. Ordinance Constitutes Contract. In consideration of the acceptance of the Bonds by those who shall be the Registered Owners of the same from time to time, this Ordinance 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 benefit, protection and security of the Registered Owners of any and all such Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

A. The Issuer is a municipal corporation and political subdivision of the State in Lewis County, West Virginia.

B. The Issuer presently owns and operates a public sewerage system. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed additions, betterments and improvements to the System (the "Project"), at an estimated cost of $2,650,000, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Clerk of the Issuer.

C. 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 the costs of the operation and maintenance of the System, the principal of and interest on the Bond and all sinking fund, reserve account and other payments provided for herein.

D. The Issuer intends to permanently finance the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), in connection with the West Virginia Water Pollution Control Revolving Fund program (the "SRF Program"), pursuant to the Act, in order to take advantage of the favorable terms available to the Issuer under the SRF Program.

E. The estimated maximum cost of the construction and acquisition of the Project is $2,650,000, of which approximately $1,400,000 will be permanently obtained from the Bond herein authorized, $750,000 will be obtained from the SCBG, $300,000 will be contributed from Weston State Hospital and $250,000 will be contributed from Lewis

County Board of Education. The Issuer may obtain such other grants and contributions or from other sources as may be necessary to pay Costs of the Project.

F. It is deemed necessary for the Issuer to issue its Sewer Revenue Bond, Series 1996, in the aggregate principal amount of not more than $1,400,000, 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; interest on the Series 1996 Bonds prior to and during construction or acquisition and for six months after completion of construction of the Project; amounts which may be deposited in the Reserve Account; engineering, fiscal agents and legal expenses; expenses for estimates of cost and revenue; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense, any fees or expenses of the Authority or DEP and any defaulted interest thereon, commitment fees, discount, initial fees for the service of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 1996 Bonds, and such other expenses as may be necessary or incidental to the financing herein authorized, the construction or acquisition of the Project and the placing of the same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 1996 Bonds or the repayment of the indebtedness incurred by the Issuer for such purposes shall be deemed part of the Cost of the Project.

G. The period of usefulness of the System after completion of the Project is not less than twenty (20) years.

H. The Issuer has no Outstanding bonds or notes secured by the Net Revenues of the System.

I. It is in the best interests of the Issuer that the Bond be sold to the Authority pursuant to the terms and provisions of the Loan Agreement.

J. The Issuer has complied with all requirements of State law and the Loan Agreement relating to authorization of the construction, acquisition and operation of the Project and the System and the issuance of the Series 1996 Bonds, or will have so complied prior to issuance of any Bonds, including, among other things and without limitation, the obtaining of an order from the PSC, the time for rehearing and appeal of which have expired prior to the issuance of the Series 1996 Bonds or such final order will not be subject to appeal.

K. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board, and the Sanitary Board has petitioned the Council to issue the Series 1996 Bonds for the purposes set forth herein.

L. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and the System; 95% or more of the Net Proceeds of the Series 1996 Bonds are to be used for local government activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the Code, herein defined, availed of, to avoid the purposes of Section 148(f)(4)(D) of the Code and all other entities benefiting thereby, reasonably expect to issue less than $5,000,000 aggregate principal amount of tax-exempt obligations (other than private activity bonds) during the calendar year in which the Series 1996 Bonds are to be issued.

M. The Project has been approved 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, or is grandfathered from review thereby.

ARTICLE II

AUTHORIZATION OF CONSTRUCTION AND ACQUISITION OF THE PROJECT

Section 2.01. Authorization of Construction and Acquisition of the Project There is hereby authorized the acquisition and construction of the Project in accordance with plans and specifications therefor prepared by the Consulting Engineers and filed with the Issuer. The Proceeds of the Series 1996 Bonds hereby authorized shall be applied as provided in Article VI hereof.

The Issuer has received acceptable bids or has entered into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the Program.

ARTICLE III

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

Section 3.01. Authorization of Series 1996 Bond. For the purposes of paying the costs, not otherwise provided, of the construction and acquisition of the Project, funding a reserve account for the Bonds, and paying certain costs of issuance and related costs, or any of such purposes as shall be specified in the Supplemental Resolution, there shall be issued negotiable bonds of the Issuer in an aggregate principal amount of not more than $1,400,000. Said Bond shall be issued as one bond to be designated "City of Weston Sewer Revenue Bond, Series 1996".

Section 3.02. Terms of Bonds. The Series 1996 Bonds shall be dated as of the date of delivery thereof, shall bear such interest, shall mature at such times, not exceeding twenty-one (21) years after the date of issuance, and in such amount as shall be set out in Schedule X to the Loan Agreement and the Supplemental Resolution. The Series 1996 Bonds shall not bear interest during the construction period but interest shall commence accruing on the Completion Date, 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 Series 1996 Bonds shall be as set forth on Schedule Y to the Loan Agreement. The Series 1996 Bond shall contain such other terms, provisions, conditions and limitations, all as provided by this Ordinance and the Loan Agreement and as the Council shall prescribe by Ordinance (or by supplemental or amendatory Resolution) adopted in connection with the sale of such Series 1996 Bonds.

The Bond shall be payable as to principal at the principal office of the Paying Agent in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bond shall be paid by check or draft mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar, provided, that so long as the Authority is the owner thereof, interest on the Series 1996 Bonds may be paid by wire transfer or other methods satisfactory to the Issuer, the Paying Agent and the Authority.

Unless otherwise provided by the Supplemental Resolution, the Series 1996 Bond shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a payment record attached, representing the aggregate principal amount, and shall mature in principal installments, all as provided in the Loan Agreement and said Supplemental Resolution. Bonds shall be exchangeable at the option and expense of the Bondholder for other fully registered Bond in aggregate principal amount equal to the amount of said Bond then Outstanding, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bond; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Additional Terms of Bond. In addition to the terms set forth in Section 3.02 hereof and in anticipation of the sale of the Series 1996 Bonds to the Authority, the Issuer covenants that the Series 1996 Bonds shall comply in all respects with the provisions of the Loan Agreement and of any resolution of the Authority and/or DEP.

Section 3.04. Execution of Bond. The Series 1996 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 Clerk. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bond so signed and sealed have 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 Bonds had not ceased to hold such office. Any Series 1996 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 3.05. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms set forth in Section 3.10, shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any 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 3.06. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Bond shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder in accepting any of said Bonds shall be conclusively deemed to have agreed that such Bond shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder shall further be conclusively deemed to have agreed that said Bond shall be incontestable in the hands of a bona fide holder for value.

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

The Bond 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 the Bond or transferring the Bond is exercised, the Bond shall be delivered in accordance with the provisions of this Ordinance. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Bond, 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 obligated to make any such exchange or transfer of the Bond during the period commencing on the fifteenth day of the month preceding an interest payment date on the Bond or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of the Bond to be redeemed, and ending on such interest payment date or redemption date.

Section 3.07. Bonds Mutilated, Destroyed, Stolen or Lost. In case any 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 proof of its ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

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

Section 3.08. Bond not to be Indebtedness of the Issuer. The Series 1996 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided and amounts in the Reserve Account. No Holder or Owners of any of the Bond shall ever have

the right to compel the exercise of the taxing power, if any, of the Issuer to pay the Bond or the interest thereon.

Section 3.09. Bonds Secured by Pledge of Net Revenues. The payment of the debt service on all the Series 1996 Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 1996 Bonds and to make the payments into the Sinking Funds, the Reserve Accounts therein and in the Renewal and Replacement Fund hereinafter established and are hereby irrevocably pledged to the payment of the principal of and any interest on the Series 1996 Bonds as the same become due.

Section 3.10. Form of Series 1996 Bonds. The text of the Series 1996 Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof.

[Form of Series 1996 Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF WESTON
SEWER REVENUE BOND, SERIES 1996

No. AR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That CITY OF WESTON, a municipal corporation and political subdivision of the State of West Virginia in Lewis 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 installments on March 1, June 1, September 1, and December 1 commencing _____, 199__, as set forth on the "Schedule of Annual Debt Service" attached as Exhibit B hereto and incorporated herein by reference, with interest on each installment at the rate of _____ percent (___%) per annum as set forth on said Exhibit B. The interest and the SRF Administrative Fee (as defined in the hereinafter described Bond Legislation), shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 199__, as set forth on EXHIBIT B attached hereto.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of _____, _____, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Division of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement dated _____, 199__, among the Authority, the DEP and the Issuer.

This Bond is issued in the aggregate principal amount of $_____ (i) to pay a portion of the costs of acquisition and construction of additions, betterments and improvements of the sewer collection system of the Issuer (the "Project"), [(ii) to fund the

debt service reserve fund] and (iii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), an Ordinance duly enacted by the Issuer on the _____ day of _____, 199__, and a Supplemental Resolution adopted by the Issuer on the _____ day of _____, 199__ (collectively called the "Ordinance"), and is subject to all the terms and conditions thereof. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, moneys in the Reserve Account created under the Ordinance and unexpended proceeds of the Bond (the "Bond Proceeds"). 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 thereon except from said special fund provided from the Net Revenues, the moneys in the Reserve Account and unexpended Bond proceeds. Pursuant to the Ordinance, the 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 to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any ensuing fiscal year of principal of and interest, if any, on all obligations on a parity with or prior to the Bonds, payable from such revenues, provided however, that so long as there exists in the Reserve Account an amount equal to the maximum amount of principal and interest which will become due on said Bond in the then current year or any succeeding year and the reserve account for any other obligations outstanding on a parity with the Bonds is funded at 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 Ordinance. Remedies provided the registered owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

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

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

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

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

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

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, CITY OF WESTON has caused this Bond to be signed by its Mayor and its seal to be hereunto affixed and attested by its Clerk, and has caused this Bond to be dated _____, 199__.

CITY OF WESTON

[SEAL]

By: _____
Its Mayor

ATTEST:

_____
Clerk of the City

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1996 Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 1996

UNITED NATIONAL BANK-WESTON,
as Registrar

By: _____
Its Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$		(11)	$	
(2)	$		(12)	$	
(3)	$		(13)	$	
(4)	$		(14)	$	
(5)	$		(15)	$	
(6)	$		(16)	$	
(7)	$		(17)	$	
(8)	$		(18)	$	
(9)	$		(19)	$	
(10)	$		(20)	$	

Total $_____

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

Form of Assignment

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

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

Dated:_____, _____

_____

In the presence of:

_____

Section 3.11. Sale of Series 1996 Bonds; Ratification and Execution of Loan Agreement with Authority and DEP. The Bonds shall be sold to the Authority pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous Ordinance, the Mayor is specifically authorized and directed to execute the Loan Agreement and the Clerk is directed to affix the seal of the Issuer thereto, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery of the Loan Agreement is hereby authorized, ratified and approved.

Section 3.12. Certificate of Consulting Engineers. Prior to the issuance of the Series 1996 Bonds, the Issuer must obtain the certificate of the Consulting Engineers in the form attached to the Loan Agreement 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 DEP and the Authority, the Project is adequate for the purposes for which it was designed, and the funding plan as submitted to the DEP and the Authority is sufficient to pay the costs of acquisition and construction of the Project.

Section 3.13. "Amended Schedule A" Filing. Within 60 days following the Completion Date, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created 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) Renewal and Replacement Fund;
(3) Series 1996 Bonds Bond Construction Trust Fund.

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

(1) Series 1996 Bonds Sinking Fund;

(a) Within the Series 1996 Bonds Sinking Fund, the Series 1996 Bonds Reserve Account.

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

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

(2) The Issuer shall next, on the first day of each month, commencing 4 months prior to the first date of payment of interest on the Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1996 Bonds Sinking Fund, a sum equal to 1/3rd of the amount of interest which will mature and become due on said Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Bonds Sinking Fund and the next quarterly interest payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, commencing 4 months prior to the first date of payment of principal on the Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Bonds Sinking Fund, a sum equal to 1/3rd of the amount of principal which will mature and become due on said 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 Bonds Sinking Fund and the next quarterly principal payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, commencing 3 months prior to the first date of payment of principal of the Bonds, if not fully funded upon issuance of the Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Reserve Account, an amount equal to 1/120 of the Reserve Requirement; provided, that no further payments shall be made into the Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Reserve Requirement.

(5) The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, transfer to the Renewal and Replacement Fund a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Reserve Account [except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof] shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinabove provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into the Sinking Fund, including the Reserve Account therein, and the Renewal and Replacement Fund during the following month or such longer period as

shall be required by the Act, such excess shall be considered as surplus revenues (the "Surplus Revenue"). Surplus Revenues may be used for any lawful purpose of the Issuer.

Moneys in the Sinking Fund shall be used only for the purposes of paying principal of and interest on the Bonds as the same shall become due. Moneys in the Reserve Account in the Sinking Fund shall be used only for the purpose of paying principal of or interest on the Bonds, as the same shall come due, when other moneys in the Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1996 Bonds Sinking Fund and the Series 1996 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 Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 1996 Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Reserve Account which result in a reduction in the balance of the Reserve Account to an amount below the Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the Sinking Fund for payment of debt service on the Bonds have been made in full.

As and when additional Bonds ranking on a parity with the Series 1996 Bonds are issued, provision shall be made for additional payments into the Sinking Fund sufficient to pay any interest on such additional Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the Reserve Account in an amount equal to the Reserve Requirement.

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

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

The Issuer shall not be required to make any further payments into the Series 1996 Bonds Sinking Fund or into the Series 1996 Bonds Reserve Account therein when the aggregate amount of funds in said Sinking Fund and Reserve Account are at least equal to the aggregate principal amount of the Series 1996 Bonds issued pursuant to this Ordinance then Outstanding and all interest to accrue until the maturity thereof.

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

B The Issuer shall remit from the Revenue Fund to the Commission or the Depository Bank, on such dates as the Commission or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay any Depository Bank's charges then due. The Issuer shall also remit from the Revenue Fund to the Authority, on such dates as the Authority and the DEP shall require, the Issuer's allocable share of reasonable administrative expenses of the Authority relating to the Program, if any.

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

D. The Issuer shall complete the "Monthly Payment Form," the form of which is attached to the Loan Agreement as Exhibit F, and submit a copy of said form along with a copy of its remittance check to the Authority by the 5th day of such calendar month.

E. 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.

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

G. The Issuer shall each month, on the day set forth in Section 5.03A(2) hereof (if such day is not a business day, then the next succeeding business day), deposit with the Commission the SRF Administrative Fee as set forth in the Schedule Y attached to the Loan Agreement.

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

Section 5.04. Excess Bond Proceeds. The Issuer shall place any excess proceeds from the Series 1996 Bonds not required by the Project in the Reserve Account up to but not exceeding the Reserve Account Requirement.

ARTICLE VI

APPLICATION OF BOND PROCEEDS, FUNDS AND ACCOUNTS

Section 6.01. Application of Bond Proceeds. From the moneys advanced from time to time from the sale of any or all of the Series 1996 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1996 Bonds, there shall be deposited with the Commission in the Series 1996 Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 1996 Bonds Reserve Account.

B. The moneys derived from the sale of the Series 1996 Bonds shall be deposited by the Issuer as received from time to time in the Bond Construction Trust Fund established in Section 5.01(3) hereof.

C. The Depository Bank shall act as a trustee and fiduciary for the Bondholders with respect to the Bond Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Bond Construction Trust Fund set forth in this Ordinance. Moneys in the Bond Construction Trust Fund shall be used solely to pay Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Bonds.

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

Except as provided in Section 6.01 hereof, disbursements from the Bond Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP of the following:

(1) A completed and signed "Payment Requisition Form," the form of which is attached to the Loan Agreement as Exhibit C, and

(2) A certificate, signed by the Mayor and the Consulting Engineers, stating:

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

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

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

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

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

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

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

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

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 1996 Bonds shall not be nor constitute an 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 Ordinance. No Holder or Owners of any Bonds shall ever have the right to compel the exercise of the taxing power, if any, of the Issuer to pay said Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 1996 Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System. The revenues derived from the System, in an amount sufficient to pay the principal of the Bond herein authorized and to make the payments into the Sinking Fund, including the Reserve Account therein, and all other payments provided for in this Ordinance are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Bonds as the same become due, and for the other purposes provided in this Ordinance.

Section 7.04. Rates. Prior to issuance of the Series 1996 Bonds, equitable rates or charges for the use of and service rendered by the System will be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. The Issuer shall take the necessary actions with respect to the imposition of rates at such times and with such provisions with respect to interest rate and maturity of the Bonds to finance the issuance of the Bonds as the purchaser thereof shall require. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient (i) to provide for all reasonable expenses of

operation, repair and maintenance of the System and (ii) to leave a balance each Fiscal Year equal to at least 115% of the maximum amount required in any succeeding Fiscal Year for payment of principal of and interest on the Bonds; provided that, in the event that an amount at least equal to or in excess of the Reserve Requirement is on deposit in the Reserve Account and is funded at least at the requirement provided for in the Ordinance, such balance each Fiscal Year need only equal at least 110% of the maximum amount required in any succeeding Fiscal Year for payment of principal of and interest on the Series 1996 Bonds

The Issuer enacted the Rate Ordinance on May 5, 1994.

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

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

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the Public Service Commission of West Virginia necessary for the acquisition and construction of the Project and the operation of the System.

Section 7.06. Sale of the System. Except as otherwise required by law, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully or redeem at or prior to maturity all the Bond or to effectively defease this Ordinance in accordance with Sections 10.01 hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Commission for deposit in the appropriate Sinking Funds, and the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Bonds about to mature and to the redemption prior to maturity at the earliest date permitted hereby and at the redemption price, of all other Outstanding Bonds. Any balance remaining after the redemption or payment of all the Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other

disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by Ordinance, 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 Ordinance duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall, upon receipt of approval of the Registered Owners, if needed, be remitted by the Issuer to the Commission for deposit in the appropriate Sinking Fund and shall be applied only to the purchase or redemption of Bonds of the last maturities then Outstanding at prices not greater than the applicable redemption price, or, if not redeemable, par, or otherwise in the Renewal and Replacement Fund. The payment of such proceeds into the Sinking Funds or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

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 or redeem prior to maturity all Bonds then Outstanding without the prior approval and consent in writing of the Owners, or their duly authorized representatives, of sixty-six and two-thirds percent (66 2/3%) in amount of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Registered Owners of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

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

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

The Issuer shall give the Authority and the DEP prior written notice of its issuance of any other obligations to be issued 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 7.08. Parity Bonds. A. No Parity Bonds payable out of the Net Revenues of the System may be issued without the prior written consent of the Authority and DEP. No Parity Bonds payable out of the revenues of the System shall be issued after the issuance of any Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the DEP and without complying with the conditions and requirements herein provided.

No Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of extensions, additions, betterments or improvements to the System or refunding all or a portion of the 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 Clerk a written statement by Independent Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the net revenues actually derived, subject to the adjustments hereinafter provided, from the System during any twelve (12) consecutive months within the eighteen (18) months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual net revenues to be received in each of the three (3) succeeding years after the completion of the improvements to be financed by such additional Parity Bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on the following:

(1) The Bonds then Outstanding;

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

(3) The Parity Bonds then proposed to be issued

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

stated in a certificate of the Consulting Engineers, which shall be filed in the office of the Clerk prior to the issuance of such additional Parity Bonds.

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

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

All the covenants and other provisions of this Ordinance (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the owners of the Series 1996 Bonds and the owners of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this Section. All the Bonds, regardless of the time or times of their issuance shall rank equally with respect to their respective liens on the revenues of the System, and their respective sources of and security for payment from said revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds created in this Ordinance required for and on account of such additional Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien of the Outstanding Bonds on such revenues. The 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 Bonds.

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

B. Notwithstanding the foregoing, the Issuer may issue Parity Bonds without compliance with any other conditions for the purpose of refunding prior to maturity any issues or series of the Bonds, provided that the annual debt service required on account of the refunding Bonds and the Bonds which are not refunded shall not be greater in any year

in which the Bonds not refunded and the refunding Bonds are to be Outstanding than the annual debt service required in such year if the Bonds to be refunded were not so refunded

With the written consent in advance of the Authority and DEP and anything to the contrary in this Section 7.08 notwithstanding, Parity Bonds may be authorized and issued by the Issuer pursuant to Supplemental Resolution solely to complete the Project as described in the Issuer's Program application to the Authority and DEP in accordance with the plans and specifications, in the event that the Series 1996 Bonds should be insufficient, together with other funds lawfully available therefor, to pay all costs of acquisition and construction of the Project; provided, however, that, prior to the issuance of such Parity Bonds under the provisions of this paragraph, the Consulting Engineers shall file with the Clerk a certificate to the effect that additional funds are necessary for such purpose. All such Parity Bonds authorized and issued under the provisions of this paragraph shall be limited to the aggregate principal amount required to make up any deficiency in funds for payment of the construction costs to complete the Project, and the maturities of any such Parity Bonds shall be in years and amounts suggested by the Authority.

Section 7.09. Insurance and Construction Bonds. The Issuer will carry such insurance and in such amounts as is customarily carried with respect to works and properties similar to the System, with a reputable insurance carrier or carriers, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks. The Issuer will require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and the DEP, so long as the Authority is the Owner of the Bonds. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their interests may appear, in accordance with the Loan Agreement, during construction of the Project in the full insurable value thereof. In time of war, the Issuer shall also carry in said amount such insurance as may be available against loss or damage by the risks and hazards of war. The proceeds of all such insurance policies shall be disposed of as provided in the Ordinance and otherwise shall be placed in the Renewal and Replacement Fund and used only for the repair and restoration of the damaged or destroyed properties or for the other purposes provided herein for said Renewal and Replacement Fund. The Issuer will also carry liability insurance for damage or injury to persons or property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the System. The Issuer shall carry such other insurance as is required by the Authority and DEP and as set forth in the Loan Agreement, including but not limited to flood insurance and business interruption insurance, to the extent available at reasonable cost to the Issuer.

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.

Section 7.10. Consulting Engineers and Operating Personnel. The Issuer shall provide and maintain competent and adequate resident 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. Such resident engineer shall certify to the Authority, the DEP and the Issuer 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 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, the form of which is attached as Exhibit A to the Loan Agreement, and is incorporated herein by reference, to the DEP within 60 days of the end of the first year after the Project is completed.

The 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 agrees that it will at all times provide operation and maintenance of the System to comply with any and all State and federal standards. The Issuer agrees that qualified operating personnel properly certified by the State will be employed before the Project is 25% complete and agrees that it will retain such a certified operator(s) to operate the System during the entire term of this Loan Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 25% completion stage.

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

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

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

Whenever any rates, rentals or charges for the services or facilities of the System, or of the waterworks system or sewerage system constituting a part thereof, shall remain unpaid for a period of thirty (30) days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. The Issuer further covenants and agrees that it will, to the full extent permitted by law, and any rules and regulations promulgated by the Public Service Commission of West Virginia applicable thereto, discontinue and shut off 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 services, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the waterworks facilities are not owned by the Issuer, the Issuer will, to the extent allowed by law, use diligent efforts to enter into a similar termination agreement with the provider of such water, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

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

Section 7.15. Books, Records and Facilities. The 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 Agreement or Grant Receipts 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 of the System at all reasonable times following completion of construction of the Project and commencement of

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

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

The accounting system for the System shall follow currently accepted accounting practices in accordance with the rules and regulations of the PSC and the Act. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books, and along with other bookkeeping records as prescribed by the Issuer. The Issuer shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Issuer shall be reported to such agent of the Issuer as the Council shall direct.

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

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

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

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

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

The Issuer shall, commencing on the date contracts are executed for the construction of the Project and for two years following the completion of the Project, each month complete a Monthly Financial Report, the form of which is attached to the Loan

Agreement as Exhibit B and is incorporated herein by reference, and forward a copy by the 10th of each month to the Authority and the DEP.

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

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

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

Section 7.16. Operating Budget. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by Ordinance a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the DEP within thirty days of the adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a Ordinance duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all Ordinances authorizing increased expenditures for operation and maintenance to the Authority and to any Holder of any Bonds who shall file his address with the Issuer and request in writing that copies of all such budgets and Ordinances be furnished him and shall make available such budgets and all Ordinances authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

Section 7.17. Mandatory Connection. The mandatory use of the sewerage facilities portion of the System is essential and necessary to protect and preserve the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and to assure the rendering harmless of sewage and water-borne

waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State 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 sewerage facilities portion of the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matter from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the sewerage facilities portion of the System, and every such owner, tenant or occupant shall, after a 30 day notice of the availability of the sewerage facilities portion 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 sewerage facilities portion of 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 7.18. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 1996 Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 1996 Bonds during the term thereof is, under the terms of the Series 1996 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for Private Business Use; and (ii) that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 1996 Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 1996 Bonds during the term thereof is, under the terms of the Series 1996 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 1996 Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 1996 Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that

portion of the Project to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

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

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

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

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

Section 7.19. Securities Laws Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17CFR Part 240).

ARTICLE VIII

INVESTMENT OF FUNDS; NON-ARBITRAGE

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often 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 Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest on the Series 1996 Bonds from gross income for federal income tax purposes.

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

Section 8.03. Small Issuer Exemption from Rebate of Excess Investment Earnings to the United States. In accordance with Section 148(f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that no part of the Series 1996 Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Series 1996 Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer), and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Series 1996 Bonds are issued does not and will not exceed $400,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations from time to time in effect and applicable to the Series 1996 Bonds. For purposes of this first paragraph of Section 8.03 and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1996 Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1996 Bonds. In the event of a failure to pay the correct rebate amount or amounts, the Issuer will pay, from any lawful sources available therefor, to the United States such amount or amounts, plus a penalty equal to 50% of the rebate amount not paid when required to be paid, plus interest on that amount, unless waived. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deep appropriate.

The Issuer shall furnish to the Authority, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing any required rebate calculations and in all other respects in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation or, if the Issuer qualifies for the small governmental issue exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that n o event has occurred to its knowledge during the Bond Year which would make the Series 1996 Bonds subject to rebate. The Issuer shall also furnish to the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all funds constituting "gross proceeds" of the Bonds (as such term "gross proceeds" is defined in the Code.

ARTICLE IX

DEFAULT AND REMEDIES

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

(1) If default occurs in the due and punctual payment of the principal of or interest on any 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 Bonds set forth in this Ordinance, any Supplemental Resolution or in the Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Construction Trust Fund Depository Bank, the Bond Registrar, any 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.

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 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 this Ordinance relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon 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 at law or bill in equity enjoin any acts in violation of the Ordinance with respect to the Bonds, or the rights of such Registered Owners.

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

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

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

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Ordinance for Reserve, Sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Ordinance shall have been cured and made good, possession of the System shall be surrendered to the 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, 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 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 Ordinance, 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

DEFEASANCE

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

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

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Ordinance. No material modification or amendment of this Ordinance, or of any Ordinance amendatory or supplemental hereto, that would materially and adversely affect the respective rights of Registered Owners of the Bonds shall be made without the consent in writing of the Registered Owners of sixty-six and two-thirds percent (66 2/3%) or more in principal amount of the Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the revenues of the System 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 Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Ordinance 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 excludibility of interest on the Bonds and the Notes from the gross income of the Owners thereof.

Section 11.02. Ordinance Constitutes Contract. The provisions of the Ordinance shall constitute a contract between the Issuer and the Registered Owners of the Bonds and no change, variation or alteration of any kind of the provisions of the Ordinance shall be made in any manner, except as in this Ordinance 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 and the 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. All orders or Ordinances and parts thereof in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed.

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, Clerk and members of the Council were at all times when any

actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07. Effective Date. This Ordinance shall take effect after passage, public hearing and otherwise in accordance with the Act.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Issuer to contain sufficient information as to give notice of the contents hereof shall be published once a week for two successive weeks within a period of fourteen consecutive days, with at least six full days intervening between each publication, in The Weston Democrat, a newspaper of general circulation in the City of Weston, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Issuer 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 Issuer for review by interested persons during office hours of the Issuer. At such hearing, all objections and suggestions shall be heard and the Issuer shall take such action as it shall deem proper in the premises. The Notice of Public Hearing and Abstract is attached hereto and incorporated herein as Exhibit C.

First Reading: August 8, 1994

Second Reading and Passage: August 15, 1994

Public Hearing and Effective Date: Sept. 3, 1994

CITY OF WESTON

John C. Burkhart
Mayor

ATTEST: [SEAL]

City Clerk

EXHIBIT A

DESCRIPTION OF PROJECT

The Project consists of the extension of lines to serve the Homewood and Bendale areas and repair and replace existing sewer lines along Polk Creek and adjacent to Weston and all appurtenances thereto.

EXHIBIT B

LOAN AGREEMENT

SRF-LP-1
(April 1993)

LOAN AGREEMENT

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

CITY OF WESTON
(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 construction, acquisition and improvement of wastewater treatment facilities;

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

WHEREAS, under the Act the DEP is designated the instrumentality to enter into capitalization agreements with the United States Environmental Protection Agency ("EPA") to accept capitalization grant awards and DEP has been awarded capitalization grants to partially fund the Program;

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

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

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

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

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

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

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

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

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

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

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

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

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

the Project, the operation and maintenance of the System and the administration of the Loan or of any State and federal grants or other sources of financing for the Project.

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

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

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

2.9 The Local Government shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such resident engineer shall certify to the Authority, DEP and the

Local Government at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Government shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Local Government shall notify DEP in writing of such receipt. The Local Government shall submit a Performance Certificate, the form of which is attached hereto as Exhibit A, and being incorporated herein by reference, to DEP within 60 days of the end of the first year after the Project is completed.

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

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

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

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

(f) The Local Government shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") necessary for the construction of the Project and operation of the System, and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local

Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

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

(h) The Local Government shall have obtained any and all approvals of rates and charges required by State law and shall have taken any other action required to establish and impose such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project) with all requisite appeal periods having expired, and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

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

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

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

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

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

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

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

3.6 The Local Government shall provide DEP with the appropriate documentation to comply with the special conditions established by federal and state regulations as set forth in Exhibit E hereto at such times as are set forth in Exhibit E.

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

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

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

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

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

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by the net revenues from the System;

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

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

(iv) That, except as otherwise required by State law or the Regulations, the System may be sold, mortgaged, leased or otherwise disposed of as a whole or substantially as a whole provided that the net proceeds to be realized from such sale, mortgage, lease or other deposition shall be sufficient to fully pay all of the local bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of such System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

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

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

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

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

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

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

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

(xi) That the Local Government shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and DEP, which report shall include a statement that the Local Government is in compliance with the terms and provisions of the Local Act and this Loan Agreement and that the Local Government's revenues are adequate to meet its operation and maintenance expenses and debt service requirements;

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

(xiii) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC,

prospective users of the System shall be required to connect thereto;

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

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

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

(xvii) That the Commission shall serve as paying agent for all Local Bonds;

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

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

sufficient to pay the costs of acquisition and construction of the Project; and

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

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

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

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

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

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

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

ARTICLE V

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

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

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

5.3 In the event the Local Government defaults in any payment due to the Authority pursuant to Section 4.2 hereof, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

5.4 The Local Government hereby irrevocably covenants and agrees with the Authority that, in the event of any default

hereunder by the Local Government, the Authority may exercise any or all of the rights and powers granted under Section 5 of the Act, including without limitation the right to impose, enforce and collect directly charges upon users of the System.

ARTICLE VI

Other Agreements of the Local Government

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

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

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

6.4 The Local Government hereby covenants that it will rebate any amounts required by Section 148 of the Internal Revenue Code of 1986, as amended, and will take all steps necessary to make any such rebates. In the event the Local Government fails to make any such rebates as required, then the Local Government shall pay any and all penalties, obtain a waiver from the Internal Revenue

Service and take any other actions necessary or desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Local Bonds.

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

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

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

ARTICLE VII

Miscellaneous

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

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

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

7.4 No waiver by any party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of

the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

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

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

7.7 This Loan Agreement shall terminate upon the earlier of:

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

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

(iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Local Government to the Authority or DEP; provided that the amount of the Loan made under this Loan Agreement in any succeeding fiscal year is contingent upon funds being appropriated by the legislature or otherwise being available to make the Loan. In the event funds are not appropriated or otherwise available to make all of the Loan, the responsibility of the Authority and DEP to make all the Loan is terminated; provided further that the obligation of the Local Government to repay the amount of the Loan made by the Authority and DEP as set forth in (iii) above is not terminated due to such non-funding on any balance on the Loan. The DEP agrees to use its best efforts to have the amount contemplated under this Loan Agreement included in its budget. Non-appropriation or non-funding shall not be considered an event of default under the Loan Agreement.

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

City of Weston
[Proper Name of Local Government]

(SEAL)

By: John C. Burbank
Its: Mayor

Attest:

Date: October 15, 1996

Betty Jo Brooks
Its Recorder

WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION

By: Barbara A. Taylor
Its: Chief, Office of Water Resources

Date: 10/18/96

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: David B. Yonkosky
Its: Director

Attest:
Barbara B. Meadows
Secretary-Treasurer

Date: October 10, 1996

APPROVED AS TO FORM PRIOR TO ACKNOWLEDGEMENT THEREOF, THIS 25th day of August, 1992.

BY: Attorney General
Dawn E. Warfield
DEPUTY ATTORNEY GENERAL

EXHIBIT A

Certificate of Performance
for
Publicly Owned Treatment Works

I. As required by the Clean Water Act under Title VI, Section 602(b)(6), and the Loan Agreement, the Local Government does hereby certify that it has :

a. Provided to the WV DEP written notification of the actual date of initiation of operation. This date of initiation was on the _____ day of _____, 19___.

b. Utilized the services of _____, our prime engineer who either:

_____ Supervised our project construction; and/or

_____ Provided architectural and engineering services during construction.

For a period of twelve (12) months following the initiation of operations, the prime engineer provided the following services:

1) Directed project operation and maintenance; and
2) Trained operating personnel and prepared the required curricula and training materials, and revised the operation and maintenance manual(s); and
3) Advised the Local Government on the status of the project meeting performance standards.

II. The Local Government, having access to and control of all the necessary data, and having monitored the construction of this project, hereby certifies that the project built under this Loan Agreement meets:

a. The specifications for which the project was planned, designed, and built.

b. The effluent limitations contained in its NPDES permit, if applicable.

_____
Local Government Name

_____ _____
Local Government Representative's Name and Title Date

EXHIBIT B

[Form of Monthly Financial Report]

[Name of Local Government]

[Name of Bond Issue]

Fiscal Year - ____

Report Month: _____

ITEM	CURRENT MONTH	YEAR TO DATE	BUDGET YEAR TO DATE	DIFFERENCE
1. Gross Revenues Collected				
2. Operation and Maintenance Expense				
3. Other Bond Debt Payments (including Reserve Fund deposits)				
4. SRF Bond Payments (include Reserve Fund deposits)				
5. Renewal and Replacement Fund Deposit				
6. Funds available for capital construction				

Witnesseth my signature this ____ day of _____, 19__.

[Name of Local Government]

By: _____
Authorized Officer

EXHIBIT C

PAYMENT REQUISITION FORM

(TO BE PROVIDED BY DEP FOR EACH PROJECT)

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

I, _____, Registered Professional Engineer, West Virginia License No._____, of _____, Consulting Engineers, _____, _____, hereby certify that my firm is engineer for the acquisition and construction of _____ to the _____ system (herein called the "Project") of _____ (the "Issuer") to be constructed primarily in _____County, West Virginia, which construction and acquisition are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the meaning set forth in the _____ passed by the _____ of the Issuer on _____, 19___, effective _____, 19___, and the Loan Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Division of Environmental Protection ("DEP") dated _____, 19___.

1. The Bonds are being issued for the purpose of _____ _____ (the "Project").

2. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by my firm and as described in the application submitted to the Authority requesting the Authority to purchase the Bonds (the "Application") and approved by all necessary governmental bodies, (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least twenty years, (iii) the Issuer has received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application and my firm has ascertained that all contractors have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified by my firm for accuracy, (iv) the Issuer has obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, (v) the rates and charges for the System as adopted by the _____ of the Issuer are sufficient to comply with the provisions

of Subsection 4.1(b) of the Loan Agreement, (vi) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, are sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and (vii) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project and Sources of Funds" for the Project.

WITNESS my signature on this _____ day of _____, 19___.

_____

By _____

West Virginia License No. ____

[SEAL]

EXHIBIT E

[Special Conditions]

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

EXHIBIT F

[Monthly Payment Form]

West Virginia Water Development
Authority
1201 Dunbar Avenue
Dunbar, WV 25064

Re: [Name of bond issue]

Dear Sirs:

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

Sinking Fund:

Interest $_____

Principal $_____

Total: $_____

Reserve Fund: $_____

Witness my signature this ___ day of_____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

[Opinion of Bond Counsel for Local Government]

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement dated _____, 19____, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Local Government and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of a series of revenue bonds of the Local Government, dated _____, 19__ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are in the principal amount of $_____, issued in the form of one bond registered as to principal and interest to the Authority, with interest payable _____ 1, _____ 1, _____ 1, and _____ 1 of each year, beginning _____ 1, 19__, at the respective rate or rates and with principal payable in installments on _____ 1 in each of the years, all as follows:

Year	Installment	Interest Rate

The Local Bonds are issued for the purpose of _____ _____ and paying certain issuance and other costs in connection therewith.

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

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

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

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

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

3. The Local Government is a duly organized and presently existing _____ _____, with full power and authority to construct and acquire the Project and to operate and maintain the System referred to in the Loan Agreement and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

4. The Local Government has legally and effectively enacted the Local Act and all other necessary _____ in connection with the issuance and sale of the Local Bonds. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Local Bonds are valid and legally enforceable special obligations of the Local Government, payable from the net revenues of the System referred to in the Local Act and secured by a [first] lien on and pledge of the net revenues of said System, all in accordance with the terms of the Local Bonds and the Local Act, and have been duly issued and delivered to the Authority.

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

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

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF BONDS

Principal Amount of Bonds	$ 1,274,287
Purchase Price of Bonds	$ 1,274,287

Interest on the Bonds shall be zero percent ~~from the date of delivery to and including~~ _____. Principal ~~and interest~~ on the Bonds is payable quarterly, commencing March 1, 1998, at a rate of 0% per annum. Quarterly payments will be made thereafter on each September 1, December 1, March 1 and June 1 as set forth on Schedule Y attached hereto and incorporated herein by reference. As of the date of this Loan Agreement, it is the Authority's and DEP's understanding that the Local Government has no other obligations outstanding which have a lien as to the source of and security for payment equal to or superior to the lien being granted by the Bonds or [provide list of outstanding debt].

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

The Bonds will be fully registered in the name of the West Virginia Water Development Authority as to principal ~~and interest~~ and such Bonds shall grant the Authority a first lien on the net revenues of the Local Government's system.

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

SCHEDULE Y

City of Weston
$1,274,287.00
0% interest rate, 1% annual fee
20 year loan
DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	DEBT SERVICE
12/01/1997	-	-	-	-
3/01/1998	15,928.59	-	-	15,928.59
6/01/1998	15,928.59	-	-	15,928.59
9/01/1998	15,928.59	-	-	15,928.59
12/01/1998	15,928.59	-	-	15,928.59
3/01/1999	15,928.59	-	-	15,928.59
6/01/1999	15,928.59	-	-	15,928.59
9/01/1999	15,928.59	-	-	15,928.59
12/01/1999	15,928.59	-	-	15,928.59
3/01/2000	15,928.59	-	-	15,928.59
6/01/2000	15,928.59	-	-	15,928.59
9/01/2000	15,928.59	-	-	15,928.59
12/01/2000	15,928.59	-	-	15,928.59
3/01/2001	15,928.59	-	-	15,928.59
6/01/2001	15,928.59	-	-	15,928.59
9/01/2001	15,928.59	-	-	15,928.59
12/01/2001	15,928.59	-	-	15,928.59
3/01/2002	15,928.59	-	-	15,928.59
6/01/2002	15,928.59	-	-	15,928.59
9/01/2002	15,928.59	-	-	15,928.59
12/01/2002	15,928.59	-	-	15,928.59
3/01/2003	15,928.59	-	-	15,928.59
6/01/2003	15,928.59	-	-	15,928.59
9/01/2003	15,928.59	-	-	15,928.59
12/01/2003	15,928.59	-	-	15,928.59
3/01/2004	15,928.59	-	-	15,928.59
6/01/2004	15,928.59	-	-	15,928.59
9/01/2004	15,928.59	-	-	15,928.59
12/01/2004	15,928.59	-	-	15,928.59
3/01/2005	15,928.59	-	-	15,928.59
6/01/2005	15,928.59	-	-	15,928.59
9/01/2005	15,928.59	-	-	15,928.59
12/01/2005	15,928.59	-	-	15,928.59
3/01/2006	15,928.59	-	-	15,928.59
6/01/2006	15,928.59	-	-	15,928.59
9/01/2006	15,928.59	-	-	15,928.59
12/01/2006	15,928.59	-	-	15,928.59
3/01/2007	15,928.59	-	-	15,928.59
6/01/2007	15,928.59	-	-	15,928.59
9/01/2007	15,928.59	-	-	15,928.59
12/01/2007	15,928.59	-	-	15,928.59
3/01/2008	15,928.59	-	-	15,928.59
6/01/2008	15,928.59	-	-	15,928.59
9/01/2008	15,928.59	-	-	15,928.59
12/01/2008	15,928.59	-	-	15,928.59
3/01/2009	15,928.59	-	-	15,928.59
6/01/2009	15,928.59	-	-	15,928.59
9/01/2009	15,928.59	-	-	15,928.59
12/01/2009	15,928.59	-	-	15,928.59
3/01/2010	15,928.59	-	-	15,928.59

City of Weston
$1,274,287.00
0% interest rate, 1% annual fee
20 year loan
DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	DEBT SERVICE
6/01/2010	15,928.59	-	-	15,928.59
9/01/2010	15,928.59	-	-	15,928.59
12/01/2010	15,928.59	-	-	15,928.59
3/01/2011	15,928.59	-	-	15,928.59
6/01/2011	15,928.59	-	-	15,928.59
9/01/2011	15,928.59	-	-	15,928.59
12/01/2011	15,928.59	-	-	15,928.59
3/01/2012	15,928.59	-	-	15,928.59
6/01/2012	15,928.59	-	-	15,928.59
9/01/2012	15,928.59	-	-	15,928.59
12/01/2012	15,928.59	-	-	15,928.59
3/01/2013	15,928.58	-	-	15,928.58
6/01/2013	15,928.58	-	-	15,928.58
9/01/2013	15,928.58	-	-	15,928.58
12/01/2013	15,928.58	-	-	15,928.58
3/01/2014	15,928.58	-	-	15,928.58
6/01/2014	15,928.58	-	-	15,928.58
9/01/2014	15,928.58	-	-	15,928.58
12/01/2014	15,928.58	-	-	15,928.58
3/01/2015	15,928.58	-	-	15,928.58
6/01/2015	15,928.58	-	-	15,928.58
9/01/2015	15,928.58	-	-	15,928.58
12/01/2015	15,928.58	-	-	15,928.58
3/01/2016	15,928.58	-	-	15,928.58
6/01/2016	15,928.58	-	-	15,928.58
9/01/2016	15,928.58	-	-	15,928.58
12/01/2016	15,928.58	-	-	15,928.58
3/01/2017	15,928.58	-	-	15,928.58
6/01/2017	15,928.58	-	-	15,928.58
9/01/2017	15,928.58	-	-	15,928.58
12/01/2017	15,928.58	-	-	15,928.58
TOTAL	1,274,287.00	-	-	1,274,287.00

*Plus a one-percent annual administrative fee paid quarterly in the amount of $1,612.77. The total administrative fee over the life of the loan is $129,021.60.

YIELD STATISTICS

Accrued Interest from 12/01/1997 to 12/01/1997...	-
Average Life.....	10.125 YEARS
Bond Years.....	12,902.15
Average Coupon.....	-
Bond Yield for Arbitrage Purposes.....	1.0012500%
True Interest Cost (TIC).....	-
Effective Interest Cost (EIC).....	1.0012500%

EXHIBIT C

CITY OF WESTON, WEST VIRGINIA

NOTICE OF PUBLIC HEARING and ABSTRACT OF BOND ORDINANCE

Notice is hereby given to any person interested that on August 19, 1996, the Council of the City of Weston, West Virginia (the "City") adopted an ordinance which:

1. Authorized the acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing sewer system ("System") of the City and the financing of the permanent cost, not otherwise provided, thereof through the issuance of not more than $1,400,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1996 (the "Bonds"). The Project, estimated at $2,650,000, was authorized to be financed with the Bond proceeds and grants in the amount of $1,300,000.

2. Directed that the Bonds be issued in the form of one bond, fully registered with a payment record attached; that interest on the Bonds shall be no more than three percentum (3%) per annum, that said Bonds mature in not more than twenty years and that said Bonds be sold for the par value thereof; that the Bonds be executed in the name of the City by the Mayor, and the seal of the City be affixed thereto and attested to by the City Clerk; that such Bonds be duly authenticated by the Registrar and delivered to the West Virginia Water Development Authority as the Original Purchaser.

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

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

5. Pledged to payment of the Bond the Net Revenues of the System.

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

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

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

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

The City contemplates the issuance of the Bonds described in, and under the conditions set forth in the Ordinance abstracted above. Any person interested may appear before the Council of the City of Weston at a special meeting thereof at 7:00 p.m., prevailing time, on September 3, 1996 at the City Building, 102 W. Second Street, Weston, West Virginia, and present objections and be heard as to whether the above described Ordinance shall be put into effect.

A certified copy of the Ordinance as adopted by the Council of City on August 19, 1996, is on file in the Office of the City Clerk for review by interested persons during the regular office of such office, to-wit: 8:30 a.m. to 4:30 p.m. Mondays through Fridays.

_____

Clerk - City of Weston, West Virginia

42974

CERTIFICATION

Certified as a true copy of the Bond Ordinance duly entered by the Council of the City of Weston on the 19th day of August, 1996.

Dated: December 10, 1996.

CITY OF WESTON, WEST VIRGINIA

By: Betty J. Brooks
Clerk

[SEAL]

43667

SUPPLEMENTAL RESOLUTION

Introduced in Council

December 2, 1996

Adopted by Council

December 2, 1996

Introduced by

Sammee Gee

Rosemary wagoner--Region VII

SUPPLEMENTAL RESOLUTION PROVIDING AS TO EFFECTIVE DATE OF ORDINANCE AND TO THE DATES, MATURITIES, INTEREST RATES, PRINCIPAL PAYMENT SCHEDULES, SALE PRICES, AND OTHER TERMS OF THE CITY OF WESTON SEWER REVENUE BONDS, SERIES 1996; DESIGNATING A REGISTRAR, PAYING AGENT, AND DEPOSITORY BANK; APPROVING THE LOAN AGREEMENT WITH RESPECT TO THE BONDS; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the City of Weston (the "Issuer") has duly and officially adopted the Bond Ordinance on September 3, 1996 (the "Ordinance"), entitled:

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING WASTEWATER COLLECTION AND TREATMENT FACILITIES OF CITY OF WESTON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE OF NOT MORE THAN $1,400,000 IN AGGREGATE PRINCIPAL AMOUNT OF CITY OF WESTON, SEWER REVENUE BONDS, SERIES 1996; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SAID BOND; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND THE WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION RELATING TO SAID BOND; AUTHORIZING THE SALE

AND PROVIDING FOR THE TERMS AND PROVISIONS OF SAID BOND; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Ordinance provides for the issuance of Sewer Revenue Bonds, Series 1996 (the "Bonds") of the Issuer in an aggregate principal amount not to exceed $1,400,000, all in accordance with the Ordinance, and it is provided that the interest rates and sale price of the Bonds should be established by a supplemental resolution and that other matters relating to the Bonds be herein provided for;

WHEREAS, the Ordinance directed the Clerk of the Issuer to publish an abstract of the Ordinance (the "Abstract"), together with a notice that the Ordinance had been adopted, that the Issuer contemplated the issuance of the Bonds, all as described in the Ordinance that any person interested may appear before the Council of the Issuer upon a certain date and present protest (the "Notice");

WHEREAS, the Ordinance required that the Abstract and Notice be published as a Class II legal advertisement and the first publication of such Abstract and Notice which should be not less than 10 days before the date set by the Ordinance and the Notice at which interested persons might appear before the Council of the Issuer and present protest and the last publication of such Abstract and Notice was to be prior to said date set by the Ordinance and the Notice;

WHEREAS, the Ordinance and Notice provided for a public hearing to be held in Council Chambers at 7:00 p.m. on September 3, 1996;

WHEREAS, the public hearing was held on such date;

WHEREAS, the Ordinance provides for the issuance of the City of Weston Sewer Revenue Bonds, Series 1996 (the "Series 1996 Bond") in aggregate principal amount not to exceed $1,400,000 in accordance with Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended, (the "Act"), and the terms of the Loan Agreement entered into between the Issuer, the Authority and the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment for the Series 1996 Bonds (the "Loan Agreement"), but requires that the dates, interest rates, maturities, sale prices and other terms of the Bonds should be established by a supplemental resolution;

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

WHEREAS, the Issuer deems it essential and desirable that this resolution (the "Supplemental Resolution"), be adopted and that the prices, the maturity dates, the redemption provisions, the interest rates, and the interest and principal dates of the Bonds be fixed hereby in the manner stated herein; and that other matters relating to the Bonds be herein provided for; and

WHEREAS, capitalized terms not otherwise defined shall have the meanings given such terms in the Ordinance.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WESTON:

Section 1. It is hereby found and determined:

(A) That the Abstract and Notice were duly published in The Weston Democrat, a newspaper of general circulation in the City of Weston with the first publication thereof being on August 21, 1996, which first publication was not less than ten (10) days before the day set by the Ordinance and Notice for the public hearing at which interested persons might appear before the Council of the Issuer and present protests and suggestions and with the last publications thereof being on August 28, 1996, which last publication date was prior to said date set by the Ordinance and Notice for the public hearing, and a copy of the Affidavit of Publications reflecting such publications are attached hereto and incorporated herein;

(B) That in accordance with the Ordinance and the Notice, the Clerk of the Issuer has maintained in her office a certified copy of the Ordinance for review by interested persons during the regular office hours of such office;

(C) That, in Council chambers, City Building, Weston, West Virginia on Tuesday, September 3, 1996, at 7:00 p.m. prevailing time, in accordance with the Ordinance and Notice, the Council met for the purpose of hearing protests and suggestions regarding whether the Ordinance should be put into effect and heard all protests and suggestions with regard thereto;

(D) That, at the public hearing, no significant reasons were presented that could require modification or amendment of the Ordinance and no written protest with regard thereto was filed by 30 percent or more of the freeholders of the Issuer; and

(E) The Ordinance shall be put into effect as of the date hereof and the Bonds contemplated thereby shall be issued, all as provided in the Ordinance and this Supplemental Resolution.

Section 2. Pursuant to the Ordinance, the Act, and this Supplemental Resolution, the Bonds shall be in the aggregate principal amount of $1,274,287 with the following provisions:

(A) The Bonds shall be originally issued in the form of a single bond, numbered R-1 in the principal amount of $1,274,287. The Bonds shall be dated the date of delivery thereof and shall bear no interest. Principal is payable quarterly on March 1, June 1, September 1 and December 1 of each of the years, 1998 through 2017, inclusive and with the final payment on December 1, 2017 and in the amounts set forth on Schedule X attached to the Loan Agreement and incorporated therein by reference, commencing March 1, 1998.

The Series 1996 Bonds shall be subject to redemption upon the written consent of the Authority, upon payment of principal, interest and redemption premium, if any, and subject to the other requirements provided in the Loan Agreement, as long as the Authority or DEP shall be the registered owner of the Bonds. The Issuer shall pay a 1% SRF Administrative Fee as set forth on Schedule X.

(B) The Bond shall be executed by Mayor of the Issuer by his manual signature and attested by the City Clerk of the Issuer by her manual signature and the seal of the Issuer shall be impressed thereon. The seal impressed upon this Resolution is hereby adopted as the official seal of the Issuer. The Bonds shall be sold to the Authority in accordance with the terms of the Loan Agreement at a price equal to 100% of the principal amount thereof.

Section 3. All other provisions relating to the Bonds shall be as provided in the Ordinance, and the Bonds shall be in substantially the form provided in the Ordinance with such changes, insertions and omissions as may be approved by the Mayor of the Issuer. The execution of the Bonds by the Mayor shall be conclusive evidence of such approval.

Section 4. The Issuer does hereby ratify, approve and accept the Loan Agreement including the "Schedule X" attached thereto, copies of which are incorporated herein by reference, and the execution and delivery by the Mayor of the Loan Agreement and the performance of the obligations contained therein, on behalf of the Issuer have been and are hereby authorized, approved and directed.

Section 5. The Issuer hereby appoints and designates United National Bank, Weston, West Virginia, as the Depository Bank, as provided in the Ordinance.

Section 6. The Issuer hereby appoints and designates United National Bank, Charleston,West Virginia, as Registrar for the Bonds.

Section 7. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission (the "Commission"), Charleston, West Virginia as Paying Agent for the Bonds.

Section 8. The Mayor and the City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates, including the Registrar's Agreement, required or desirable in connection with the Bonds hereby and by the Ordinance approved and provided for, to the end that the Bonds may be delivered to the Authority pursuant to the Loan Agreement on or about December 10, 1996.

Section 9. The Issuer has either (a) funded the Series 1996 Bonds Reserve Account to the Series 1996 Bonds Reserve Requirement or (b) created the Series 1996 Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 1996 Bonds Reserve Account holds an amount equal to the Series 1996 Bonds Reserve Requirement. Moneys in the Series 1996 Bonds Reserve

Account and the Series 1996 Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will be not available to pay costs of the Project.

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

Section 11. The Issuer hereby directs the Depository Bank to initially invest all monies in the funds and accounts established under the Ordinance in Qualified Investments further directed by the Issuer.

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

Section 13. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and the System; 95% or more of the Net Proceeds of the Bonds are to be used for local government activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the Code, herein defined, availed of, to avoid the purposes of Section 148(f)(4)(D) of the Code and all other entities benefiting thereby, reasonably expect to issue less that $5,000,000 aggregate principal amount of tax-exempt obligations (other than private activity bonds) during the calendar year in which the Bonds are to be issued.

Section 14. This Supplemental Resolution shall be effective immediately upon adoption.

Dated: December 2, 1996

CITY OF WESTON

[SEAL]

By: John C. Buckhalter
Mayor

Betty Jo Brooks
City Clerk

43099

CITY OF WESTON
SEWER REVENUE BONDS,
SERIES 2000 A (WEST VIRGINIA SRF PROGRAM) AND
SERIES 2000 B (WEST VIRGINIA INFRASTRUCTURE FUND)

BOND ORDINANCE

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CITY OF WESTON

ORDINANCE AUTHORIZING THE REFUNDING OF THE SEWERAGE SYSTEM DESIGN NOTE, SERIES 1998 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE CITY OF WESTON AND THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF WESTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,192,097 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM) AND NOT MORE THAN $6,250,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING LOAN AGREEMENTS 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 WESTON:

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, Chapter 22C, Article 2 and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. The City of Weston (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Lewis 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 a new wastewater sewage treatment plant and improvements to the existing sanitary sewer collection system of the Issuer and surrounding areas of Lewis County, which will add approximately 507 new customers to the system, together with all appurtenant facilities (collectively, the "Project"), which constitute properties for the collection, transportation, treatment, purification and disposal of liquid or solid wastes, sewage or industrial wastes (the existing public sewerage system of the Issuer, the Project and any further additions, betterments and improvements are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the City Clerk of the Issuer.

C. The Issuer intends to permanently finance 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 and the West Virginia Infrastructure Fund pursuant to the Act.

D. The Issuer has determined that by refunding its outstanding Sewerage System Design Note, Series 1998 A (West Virginia Infrastructure Fund), dated April 13, 1998, issued in the original principal amount of $200,000 (the "Prior Notes"), it can achieve significant savings in debt service. The entire principal of and all interest and administrative fees on the Prior Notes will be paid in full with the proceeds of the Series 2000 B Bonds on the date of issuance thereof.

E. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds in the total aggregate principal amount of not more than $9,442,097 in two series (collectively, the "Series 2000 Bonds"), being the Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), in the aggregate principal amount of not more than $3,192,097 (the "Series 2000 A Bonds"), and the Sewer Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund), in the aggregate principal amount of not more than $6,250,000 (the "Series 2000 B Bonds"), to permanently finance costs of acquisition and construction of the Project and to pay in full the Prior Notes. The remaining costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor;

interest upon the Series 2000 Bonds prior to and during construction or acquisition and for a period not exceeding 6 months after completion of construction of the Project; amounts which may be deposited in the Reserve Accounts (as hereinafter defined); amounts payable to the holder of the Prior Notes to currently refund the Prior Notes, engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, including the SRF Administrative Fee (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2000 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, the refunding of the Prior Notes 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 2000 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

G. It is in the best interests of the Issuer that its Series 2000 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 Division of Environmental Protection, a division of the West Virginia Bureau of Environment (the "DEP"), and its Series 2000 B Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council"), both loan agreements in form satisfactory to the respective parties (collectively, the "Loan Agreement"), approved hereby if not previously approved by resolution of the Issuer.

H. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2000 Bonds as to liens, pledge, source of and security for payment, being the Sewer Revenue Bonds, Series 1996, dated December 10, 1996, issued in the original principal amount of $1,274,287 (the "Prior Bonds").

The Series 2000 Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2000 Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the parity tests of the Prior Bonds are met; and (ii) the written consent of the Holder of the Prior Bonds to the issuance of the Series 2000 Bonds on a parity with the Prior Bonds. Following the refunding of the Prior Notes and

other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

I. 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 and the principal of and interest on the Series 2000 Bonds and the Prior Bonds and to make payments into all funds and accounts and other payments provided for herein and in the Prior Ordinance.

J. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System, the refunding of the Prior Notes and issuance of the Series 2000 Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof, by the Infrastructure Council and obtaining of a certificate of public convenience and necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2000 Bonds or such final order will not be subject to appeal.

K. 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 2000 Bonds for the purposes set forth herein.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2000 Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2000 Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13, Chapter 22C, Article 2 and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2000 Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the DEP and the Infrastructure Council 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 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 2000 Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"City Clerk" means the City Clerk of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2000 Bonds for all or a portion of the proceeds of the Series 2000 Bonds from the Authority.

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

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

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

"Consulting Engineers" means Thrasher Engineering, Inc., Clarksburg, 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 Code of West Virginia, 1931, as amended; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

"Costs" or "Costs of the Project" means those costs described in Section 1.02E hereof to be a part of the costs of refunding the Prior Notes and acquisition and construction of the Project.

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

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

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

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

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

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

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

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

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

"Infrastructure Council" means the West Virginia Infrastructure and Jobs Development Council or any other agency of the State of West Virginia that succeeds to the functions of the Infrastructure Council.

"Investment Property" means

(A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

(E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of which is a specified private activity bond (as defined in section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

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

"Loan Agreement" means, collectively, the Bond Purchase Agreement heretofore entered, or to be entered, into by and among the Issuer, the Authority and the DEP, providing for the purchase of the Series 2000 A Bonds from the Issuer by the Authority, and

the Loan Agreement heretofore entered, or to be entered, into by and between the Issuer and the Authority, on behalf of the Infrastructure Council, providing for the purchase of the Series 2000 B Bonds from the Issuer by the Authority, the forms of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2000 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Reserve Accounts. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2000 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property as defined in Section 148(b) of the Code, that is not a purpose investment.

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

"Outstanding" when used with reference to Bonds or Prior Bonds and as of any particular date, describes all Bonds or Prior Bonds theretofore and thereupon being authenticated and delivered, except (i) any Bond or Prior Bond canceled by the Bond Registrar or Registrar for Prior Bonds, at or prior to said date; (ii) any Bond or Prior Bonds, for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder, and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have

been paid as provided in Article X hereof; (iv) any Prior Bond deemed to have been paid; and (v) for purposes of consents or other action by a specified percentage of 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 designated as such for the Series 2000 Bonds in the Supplemental Resolution.

"Prior Bonds" means the Issuer's Sewer Revenue Bonds, Series 1996, dated December 10, 1996, issued in the original principal amount of $1,274,287.

"Prior Notes" means the Issuer's Sewerage System Design Note, Series 1998 A (West Virginia Infrastructure Fund), dated April 13, 1998, issued in the original principal amount of $200,000.

"Prior Ordinance" means, collectively, the ordinance of the Issuer enacted on September 3, 1996, as supplemented by the supplemental resolution of the Issuer adopted December 2, 1996, authorizing the issuance of the Prior Bonds.

"Private Business Use" means use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit; provided that, use as a member of the general public shall not be taken into account.

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

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

(a) Government Obligations;

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

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

Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

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

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

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

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

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

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

"Registered Owner," "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 the Prior Ordinance and continued hereby.

"Reserve Accounts" means, collectively, the respective Reserve Accounts created for the Series 2000 Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in any Reserve Account for the Prior Bonds and the Series 2000 Bonds.

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

"Series 2000 A Bonds Construction Trust Fund" means the Series 2000 A Bonds Construction Trust Fund created by Section 5.01 hereof.

"Series 2000 A Bonds Reserve Account" means the Series 2000 A Bonds Reserve Account created by Section 5.02 hereof.

"Series 2000 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 2000 A Bonds in the then current or any succeeding year.

"Series 2000 A Bonds Sinking Fund" means the Series 2000 A Bonds Sinking Fund created by Section 5.02 hereof.

"Series 2000 B Bonds" means the Sewer Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund), of the Issuer, authorized by this Bond Legislation.

"Series 2000 B Bonds Construction Trust Fund" means the Series 2000 B Bonds Construction Trust Fund created by Section 5.01 hereof.

"Series 2000 B Bonds Reserve Account" means the Series 2000 B Bonds Reserve Account created by Section 5.02 hereof.

"Series 2000 B Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2000 B Bonds in the then current or any succeeding year.

"Series 2000 B Bonds Sinking Fund" means the Series 2000 B Bonds Sinking Fund created by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds created for the Series 2000 Bonds and the Prior Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid under the Loan Agreement for the Series 2000 A Bonds.

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

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

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2000 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2000 Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2000 Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Sinking Funds and the Reserve Accounts.

"System" means, collectively, the complete existing municipal 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 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.

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT AND THE REFUNDING OF THE PRIOR NOTES

Section 2.01. Authorization of Acquisition and Construction of the Project and the Refunding of the Prior Notes. There is hereby authorized and ordered the refunding of the Prior Notes and the acquisition and construction of the Project, at an estimated cost of $11,720,000, 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 2000 Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, in an amount and otherwise compatible with the financing plan submitted to the DEP, the Infrastructure Council and the Authority.

The cost of the Project is estimated not to exceed $11,720,000, of which approximately $3,192,097 will be obtained from proceeds of the Series 2000 A Bond, approximately $6,250,000 will be obtained from proceeds of the Series 2000 B Bonds, approximately $1,027,903 from a grant by the Council and approximately $1,250,000 from a grant by the United States Department of Housing and Urban Development (Small Cities Block Grant).

The cost of refunding the Prior Notes is estimated to be $206,000, which will be obtained from proceeds of the Series 2000 B Bonds.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2000 Bonds, funding the respective reserve accounts for the Series 2000 Bonds, refunding the Prior Notes, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2000 Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be issued the negotiable Series 2000 Bonds of the Issuer. The Series 2000 Bonds shall be issued in two series, each as a single bond, designated respectively as "Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program)," in the principal amount of not more than $3,192,097, and "Sewer Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund)," in the principal amount of not more than $6,250,000, and both shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2000 Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2000 A Bonds Construction Trust Fund and Series 2000 B 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 2000 Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2000 Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2000 Bonds, if any, shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2000 Bonds shall initially be issued in the form of a single bond for each series, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of each series of the Series 2000 Bonds. The Series 2000 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 set forth in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2000 Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2000 Bonds shall cease to be such officer of the Issuer before the Series 2000 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 2000 Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2000 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 2000 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 2000 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 2000 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 2000 Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2000 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 2000 Bonds or transferring the registered Series 2000 Bonds are exercised, all Series 2000 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2000 Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Series 2000 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 2000 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2000 Bonds or, in the case of any proposed redemption of Series 2000 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 2000 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 canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2000 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable

solely from the Net Revenues derived from the System as herein provided. No Holder or Holders of the Series 2000 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2000 Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of debt service of the Series 2000 A Bonds and the Series 2000 B Bonds shall be secured equally and ratably with each other by a first lien on the Net Revenues derived from the System, on a parity with the lien on 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, if any, on the Series 2000 Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2000 Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2000 Bonds to the original purchasers upon receipt of a request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2000 Bonds to the original purchasers.

Section 3.10. Form of Bonds. The text of the Series 2000 Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 2000 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF WESTON
SEWER REVENUE BOND, SERIES 2000 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF WESTON, a municipal corporation and political subdivision of the State of West Virginia in Lewis 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, _____, 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 described Bond Legislation) on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____, as set forth on EXHIBIT B attached hereto.

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"). The SRF Administrative Fee on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of the Registrar (as defined in the hereinafter described Bond Legislation) on the 15th day of the month next preceding a payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Division of Environmental Protection (the "DEP"), and upon the terms and conditions

prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Issuer, the Authority and the DEP, dated _____, 2000.

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 Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2000, and a Supplemental Resolution duly adopted by the Issuer on _____, 2000 (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 (1) SEWER REVENUE BONDS, SERIES 1996, DATED DECEMBER 10, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,274,287 (THE "PRIOR BONDS"); AND (2) SEWER REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2000 B BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the holders of the Series 2000 B Bonds and the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2000 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, 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 moneys in the Series 2000 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 the Bonds, including the Series 2000 B Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2000 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 the Bonds, including the Series 2000 B Bonds and 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.

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 moneys, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, the CITY OF WESTON has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 2000.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2000 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: _____, 2000.

_____, 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:

_____

(FORM OF SERIES 2000 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF WESTON
SEWER REVENUE BOND, SERIES 2000 B
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. BR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF WESTON, a municipal corporation and political subdivision of the State of West Virginia in Lewis 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, _____, as set forth on the " Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Infrastructure Council, dated _____, 2000.

This Bond is issued (i) to pay in full the entire outstanding principal of and all interest and administrative fees on the Issuer's Sewerage System Design Note, Series 1998 A (West Virginia Infrastructure Fund); (ii) 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 (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 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2000, and a Supplemental Resolution duly adopted by the Issuer on _____, 2000 (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 (1) SEWER REVENUE BONDS, SERIES 1996, DATED DECEMBER 10, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,274,287 (THE "PRIOR BONDS"); AND (2) SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED _____, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2000 A BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the holders of the Series 2000 A Bonds and the Prior Bonds and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2000 B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, 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 moneys in the Series 2000 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 2000 A Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2000 B Bonds Reserve Account an amount at least equal to the

maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2000 A Bonds and 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.

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 moneys, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, the CITY OF WESTON has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 2000.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2000 B 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: _____, 2000.

_____, as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

_____

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Loan Agreement, including all schedules and exhibits attached thereto, are hereby approved and incorporated into this Bond Legislation. The Series 2000 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. "Amended Schedule" Filing. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Authority, the DEP and the Infrastructure Council, the respective schedules, the forms of which will be provided by the DEP and the Infrastructure Council, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

(2) Renewal and Replacement Fund (created by the Prior Ordinance);

(3) Series 2000 A Bonds Construction Trust Fund; and

(4) Series 2000 B Bonds Construction Trust Fund.

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

(1) Series 1996 Bonds Sinking Fund (created by the Prior Ordinance);

(2) Within the Series 1996 Bonds Sinking Fund, the Series 1996 Bonds Reserve Account (created by the Prior Ordinance);

(3) Series 2000 A Bonds Sinking Fund;

(4) Within the Series 2000 A Bonds Sinking Fund, the Series 2000 A Bonds Reserve Account;

(5) Series 2000 B Bonds Sinking Fund; and

(6) Within the Series 2000 B Bonds Sinking Fund, the Series 2000 B Bonds Reserve Account.

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

(1) The Issuer shall first, each month, pay from the Revenue Fund the current Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1996 Bonds Sinking Fund, the amount required by the Prior Ordinance for payment of the principal of the Prior Bonds; (ii) commencing 4 months prior to the first date of payment of principal of the Series 2000 A Bonds, for deposit in the Series 2000 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2000 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 2000 A Bonds Sinking Fund and the next quarterly principal payment date is less than 4 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; and (iii) commencing 4 months prior to the first date of payment of principal of the Series 2000 B Bonds, for deposit in the Series 2000 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2000 B 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 2000 B Bonds Sinking Fund and the next quarterly principal payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1996 Bonds Reserve

Account, the amount required by the Prior Ordinance to be deposited therein; (ii) commencing 4 months prior to the first date of payment of principal of the Series 2000 A Bonds, if not fully funded upon issuance of the Series 2000 A Bonds, for deposit in the Series 2000 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2000 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2000 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 2000 A Bonds Reserve Requirement; and (iii) commencing 4 months prior to the first date of payment of principal of the Series 2000 B Bonds, if not fully funded upon issuance of the Series 2000 B Bonds, for deposit in the Series 2000 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2000 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2000 B 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 2000 B Bonds Reserve Requirement.

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

Moneys in the Series 2000 A Bonds Sinking Fund and the Series 2000 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2000 A Bonds and the Series 2000 B Bonds, respectively, as the same shall become due. Moneys in the Series 2000 A Bonds Reserve Account and the Series 2000 B

Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2000 A Bonds and the Series 2000 B Bonds, respectively, as the same shall come due, when other moneys in the Series 2000 A Bonds Sinking Fund and the Series 2000 B Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2000 A Bonds Sinking Fund, the Series 2000 A Bonds Reserve Account, the Series 2000 B Bonds Sinking Fund and the Series 2000 B 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 respective Bond Construction Trust Funds, 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 2000 A Bonds and the Series 2000 B Bonds, respectively, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2000 A Bonds Reserve Account or the Series 2000 B Bonds Reserve Account which result in a reduction in the balance therein to below the respective Reserve Requirements shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2000 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 accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2000 A Bonds Sinking Fund, the Series 2000 A Bonds Reserve Account, the Series 2000 B Bonds Sinking Fund or the Series 2000 B Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the respective aggregate principal amount of the Series 2000 A Bonds and the Series 2000 B Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Interest, principal or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds, the Series 2000 A Bonds and the Series 2000 B 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 2000 A Bonds Sinking Fund, the Series 2000 A Bonds Reserve Account, the Series 2000 B Bonds Sinking Fund and the Series 2000 B Bonds Reserve

Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2000 A Bonds Sinking Fund, the Series 2000 A Bonds Reserve Account, the Series 2000 B Bonds Sinking Fund and the Series 2000 B Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2000 A Bonds Sinking Fund, the Series 2000 A Bonds Reserve Account, the Series 2000 B Bonds Sinking Fund and the Series 2000 B Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2000 A Bonds and the Series 2000 B Bonds, respectively, under the conditions and restrictions set forth herein.

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinabove provided, are current and there remains in 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 the Act, such excess shall be considered as surplus revenues (the "Surplus Revenues"). Surplus Revenues may be used for any lawful purpose of the System.

C. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payments and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month), deposit with the Commission the SRF Administrative Fee as set forth in the Schedule Y attached to the Loan Agreement for the Series 2000 A Bonds.

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

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 at anytime, make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

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

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

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 2000 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2000 A Bonds, there shall first be deposited with the Commission in the Series 2000 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. From the proceeds of the Series 2000 B Bonds, there shall first be deposited with the Commission in the Series 2000 B Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

C. Next, from the proceeds of the Series 2000 A Bonds, there shall be deposited with the Commission in the Series 2000 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2000 A Bonds Reserve Account.

D. Next, from the proceeds of the Series 2000 B Bonds, there shall be deposited with the Commission in the Series 2000 B Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2000 B Bonds Reserve Account.

E. Next, from the proceeds of the Series 2000 B Bonds, there shall be deposited with the Commission, the amount set forth in the Supplemental Resolution for paying in full the entire outstanding principal of and all interest and administrative fees on the Prior Notes.

F. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2000 A Bonds, such moneys shall be deposited with the Depository Bank in the Series 2000 A Bonds Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and until so expended, are hereby pledged as additional security for the Series 2000 A Bonds.

G. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2000 B Bonds, such moneys shall be deposited with the Depository Bank in the Series 2000 B Bonds Construction Trust Fund and applied solely to payment of the costs

of the Project in the manner set forth in Section 6.02 hereof and until so expended are hereby pledged as additional security for the Series 2000 B Bonds.

H. 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 2000 A Bonds shall be expended as approved by the DEP and any remaining proceeds of the Series 2000 B Bonds shall be expended as approved by the Infrastructure Council.

Section 6.02. Disbursements From Bond Construction Trust Fund. A. On or before the Closing Date, the Issuer shall have delivered to the DEP and the Authority a report listing the specific purposes for which the proceeds of the Series 2000 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for the costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2000 A Bonds Construction Trust Fund shall be made only after submission to and approval from the DEP of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement for the Series 2000 A Bonds, in compliance with the Issuer's 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.

B. The Issuer shall each month provide the Infrastructure Council with a requisition for the costs incurred for the Project, together with such documentation as the

Infrastructure Council shall require. Payments of all Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2000 B Bonds Construction Trust Fund shall be made only after submission to and approval from the Council, of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

(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.

The Issuer shall expend all proceeds of the Series 2000 B Bonds within 3 years of the date of issuance of the State's general obligation bonds, the proceeds of which were used to make the loan to the Issuer.

Pending such application, moneys in the respective Bond Construction Trust Funds, 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 2000 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 2000 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 2000 Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2000 Bonds shall not be nor constitute an 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 the Series 2000 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2000 Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2000 A Bonds and the Series 2000 B Bonds shall be secured equally and ratably with each other by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2000 Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges , with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the sewer rate ordinance of the Issuer duly enacted on June 21, 2000.

So long as the Series 2000 Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in

the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2000 Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinance. Additionally, so long as the Series 2000 Bonds are outstanding and except as otherwise required by law or with the written consent of the DEP, the Infrastructure Council and the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2000 Bonds, immediately be remitted to the Commission for deposit in the Sinking Funds, and, with the written permission of the DEP, the Infrastructure Council and 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 2000 Bonds. Any balance remaining after the payment of the Series 2000 Bonds and 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 ordinance, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine, upon consultation with a professional engineer, that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by ordinance duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds of any

such sale shall be remitted by the Issuer to the Commission for deposit in the respective Sinking Funds and applied only to the purchase or redemption of Bonds of the last maturities then Outstanding at prices not greater than the applicable redemption price or if not redeemable, deposited in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund and the Sinking Funds shall not reduce the amount required to be paid into such account by other provisions of this Bond Legislation.

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

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2000 Bonds. All obligations issued by the Issuer after the issuance of the Series 2000 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 2000 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 2000 Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2000 Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinance shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2000 Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority, the DEP and the Infrastructure Council and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinance).

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2000 Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of additions, extensions, improvements or betterments to the System or refunding the Series 2000 Bonds issued pursuant hereto, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided 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 expected 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 be not less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues expected 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 City Clerk 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. All Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from the Net Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien of the Series 2000 Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2000 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, the DEP and the Infrastructure Council, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority, the DEP and the Infrastructure Council such documents and information as they may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and

maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

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

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

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

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

The Issuer shall file with the Authority, the DEP and the Infrastructure Council, or any other original purchaser of the Series 2000 Bonds, and shall mail in each year to any Holder or Holders of the Series 2000 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 payable from the revenues of the System outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountant in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof, to the extent legally required, and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountant, or a summary thereof, to any Holder or Holders of the Series 2000 Bonds and shall submit said report to the Authority, the DEP and the Infrastructure Council, or any other original purchaser of the Series 2000 Bonds. Such audit report submitted to the Authority, the DEP and the Infrastructure Council shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

The Issuer shall provide the DEP with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in Exhibit E of the Loan Agreement for the Series 2000 A Bonds or as promulgated from time to time.

Section 7.09. Rates. Prior to the issuance of the Series 2000 Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the

rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each 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 2000 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2000 Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Series 2000 A Bonds Reserve Account, the Series 2000 B Bonds Reserve Account and the Reserve Accounts for obligations on a parity with the Series 2000 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 2000 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2000 Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority, the DEP and the Infrastructure Council within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall within 30 days of adoption thereof mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority, the DEP, the Infrastructure Council and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any 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 2 years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement, and forward a copy of such report to the Authority, the DEP and the Infrastructure Council by the 10th day of each month.

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

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

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Loan Agreement for the Series 2000 A Bonds 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 employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the Loan Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 50% completion stage.

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

Section 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the 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 or, if the waterworks facilities are not owned by the Issuer, the Issuer will, to the extent allowed by law, use diligent efforts to enter into a similar termination agreement with the provider of such water, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders 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 either shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer, and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2000 Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Board and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

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

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

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

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

The Issuer shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority, the DEP and the Infrastructure Council and the Issuer shall verify such insurance prior to commencement of construction. In the event the

Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

Section 7.16. Mandatory Connections. The mandatory use of the 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 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 State 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 sewerage facilities portion of the System, pay the rates and charges established therefor.

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

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

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the Infrastructure Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and

the Act. Notwithstanding anything herein to the contrary, the Issuer shall provide the DEP and the Infrastructure Council with copies of all documents submitted to the Authority.

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

Section 7.19. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2000 Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2000 Bonds during the term thereof is, under the terms of the Series 2000 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2000 Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2000 Bonds during the term thereof is, under the terms of the Series 2000 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2000 Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2000 Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% or $5,000,000 of the Net Proceeds of the Series 2000 Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause

the Series 2000 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. If required, the Issuer shall file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2000 Bonds and the interest, if any, thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer shall take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest, if any, on the Series 2000 Bonds will be and remain excludable from gross income for federal income tax purposes, and shall not take any actions, or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

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

Section 7.21. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2000 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 and the Infrastructure Council for written approval. The Issuer shall obtain the written approval of the DEP and the Infrastructure Council before expending any proceeds of the Series 2000 Bonds held in "contingency" as set forth in the respective schedules attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the DEP and the Infrastructure Council before expending any proceeds of the Series 2000 Bonds made available due to bid or construction or project underruns.

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

ARTICLE VIII

INVESTMENTS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if reasonably requested by the Issuer), a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2000 Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest, if any, on the Series 2000 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 2000 Bonds as a condition to issuance of the Series 2000 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 2000 Bonds as may be necessary in order to

maintain the status of the Series 2000 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 2000 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 Infrastructure Council or the DEP, as the case may be, from which the proceeds of the Series 2000 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 Infrastructure 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 Resolution.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2000 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 2000 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on any Series 2000 Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on their respective parts relating to the Series 2000 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2000 Bonds, and such default shall have continued for a period of 30 days after the Issuer or Issuer, as appropriate shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

(3) If the Issuer or 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 however, that all rights and remedies of the Holders of the Series 2000 Bonds shall be on a parity with those of the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the Project and the possession,

operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of 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 2000 Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2000 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 2000 Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to the issuance of the Series 2000 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2000 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 2000 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2000 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Series 2000 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, if any, out of the funds herein pledged therefor without the consent of the Registered Owners thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2000 Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest, if any, on the Series 2000 Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2000 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 City Clerk and members of the Governing Body and the Board were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance in the form set forth in Exhibit A attached hereto and incorporated herein by reference, shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the Weston Democrat, a qualified newspaper published and of general circulation in the City of Weston, and in the Clarksburg Telegram and the Clarksburg Exponent, 2 newspapers of general circulation in the City of Weston, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2000 Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than 10 days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. The Governing Body hereby determines that the abstract of this Ordinance as set forth in Exhibit A contains sufficient information as to give notice of the contents hereof. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Section 11.08. Effective Date. This Ordinance shall take effect immediately following public hearing and final reading hereof.

Passed on First Reading: October 2, 2000

Passed on Second Reading: November 6, 2000

Passed on Final Reading Following Public Hearing: December 4, 2000

Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF WESTON on the 4th day of December, 2000.

Dated: December 20, 2000.

[SEAL]

City Clerk

11/22/00
100530/00303

EXHIBIT A

CITY OF WESTON

NOTICE OF PUBLIC HEARING AND ABSTRACT OF BOND ORDINANCE

Notice is hereby given to any person interested that on November 6, 2000, the Council of the City of Weston (the "Issuer"), adopted an ordinance which, among other things:

1. Authorized the refunding of the Issuer's Sewerage System Design Note, Series 1998 A (West Virginia Infrastructure Fund), and the acquisition and construction of certain additions, betterments and improvements (the "Project") to the Issuer's existing sewerage system (the "System") and the financing of the cost, not otherwise provided, thereof through the issuance of not more than $3,192,097 in aggregate principal amount of Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program) and not more than $6,250,000 in aggregate principal amount of Sewer Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund) (collectively, the "Bonds"). The Project, estimated at $11,720,000, was authorized to be financed with proceeds of the Bonds, a grant from the West Virginia Infrastructure Fund in the amount of $1,027,903 and a grant from the United States Department of Housing and Urban Development (Small Cities Block Grant) in the amount of $1,250,000.

2. Directed that the Bonds be issued in such principal amounts, bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates, mature on such dates and in such amounts and redeemable, in whole or in part, as prescribed in a supplemental resolution or in the respective Loan Agreements.

3. Authorized the execution and delivery of the Loan Agreements.

4. Directed the continuation of a Revenue Fund and the disposition of the revenues of the System; provided for the payment of operating expenses; provided for the monthly payment of principal of and interest on the Bonds when due; provided for the creation of the respective Sinking Funds, Reserve Accounts and a Renewal and Replacement Fund for the Bonds; and provided for the use of excess funds of the System.

5. Directed the creation of the respective Bond Construction Trust Funds and the disbursement of Bond proceeds.

6. Provided that the Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues of the System; pledged the Net Revenues of the System to payment of the Bonds and established the rights of the holders of the Bonds to the Net Revenues of the System.

7. Provided certain conditions for the issuance of additional bonds.

8. Provided for insurance coverage on the Project, enforcement of collection of rates and other charges for the System, and other covenants of the Issuer in favor of the Bondholders.

9. Established the events of default and the remedies of the Bondholders.

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

The Issuer contemplates the issuance of the Bonds described in and under the co ıditions set forth in the Ordinance abstracted above. Any person interested may appear before the Council of the City of Weston at a regular meeting on December 4, 2000, at 7:00 p.m., ; t the Weston Volunteer Fire Department, 325 Center Avenue, Weston, West Virginia, and pr :sent protests and be heard as to whether the above described Ordinance shall be put into effect.

A certified copy of the Ordinance as adopted by the Council is on file with the Ci y Clerk for review by interested persons during the office hours of the City Hall.

Rebecca Swisher
City Clerk

CITY OF WESTON
SEWER REVENUE BONDS,
SERIES 2000 A (WEST VIRGINIA SRF PROGRAM) AND
SERIES 2000 B (WEST VIRGINIA INFRASTRUCTURE FUND)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, PAYMENT SCHEDULE, SALE PRICE AND OTHER TERMS OF THE CITY OF WESTON SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM) AND SERIES 2000 B (WEST VIRGINIA INFRASTRUCTURE FUND); AUTHORIZING AND APPROVING THE LOAN AGREEMENTS RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Council (the "Governing Body") of the City of Weston (the "Issuer") has duly and officially passed a Bond Ordinance on November 6, 2000, effective December 4, 2000 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE REFUNDING OF THE SEWERAGE SYSTEM DESIGN NOTE, SERIES 1998 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE CITY OF WESTON AND THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF WESTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,192,097 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM) AND NOT MORE THAN $6,250,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2000 B (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS

AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING LOAN AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of the Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program) and Series 2000 B (West Virginia Infrastructure Fund), of the Issuer, in the respective aggregate principal amounts not to exceed $3,192,097 and $6,250,000 (collectively, the "Bonds" and individually, the "Series 2000 A Bonds" and "Series 2000 B Bonds"), and has authorized the execution and delivery of a bond purchase agreement relating to the Series 2000 A Bonds, including all schedules and exhibits attached thereto, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection (the "DEP"), and the loan agreement relating to the Series 2000 B Bonds, by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") (collectively, the "Loan Agreement"), all in accordance with Chapter 16, Article 13 and Chapter 22C, Article 2 and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Bonds should be established by a supplemental resolution, and that other matters relating to the Bonds be herein provided for;

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

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

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and ratified by the Issuer, that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WESTON, WEST VIRGINIA, AS FOLLOWS:

Section 1. It is hereby found and determined that:

(A) The Notice of Public Hearing and Abstract of Bond Ordinance (the "Notice") was duly published in the Weston Democrat, a qualified newspaper published and of general circulation in the City of Weston, and in the Clarksburg Exponent and the Clarksburg Telegram, 2 newspapers of general circulation in the City of Weston, with the first publication thereof being not less than ten (10) days before the day set by the Bond Ordinance and the Notice for the public hearing at which interested persons may appear before the Council and present protests and suggestions and with the last publication thereof being prior to said date set by the Bond Ordinance and the Notice for the public hearing, and a copy of the Affidavit of Publication reflecting such publications is incorporated herein by reference;

(B) In accordance with the Bond Ordinance and the Notice, the City Clerk has maintained in his or her office a certified copy of the Bond Ordinance for review by interested persons during the regular office hours of such office;

(C) At the Weston Volunteer Fire Department, Weston, West Virginia, on December 4, 2000, at 7:00 p.m., prevailing time, in accordance with the Bond Ordinance and the Notice, the Council met for the purpose of hearing protests and suggestions regarding whether the Bond Ordinance should be put into effect and heard all protests and suggestions with regard thereto;

(D) At the public hearing, no significant reasons were presented that would require modification or amendment of the Bond Ordinance and no written protest with regard thereto was filed by 30 percent or more of the freeholders of the Issuer; and

(E) The Bond Ordinance shall be put into effect as of the date hereof and the Bonds contemplated thereby shall be issued, all as provided in the Bond Ordinance and this Supplemental Resolution.

Section 2. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the following bonds of the Issuer:

(A) Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the original principal amount of $3,192,097. The Series 2000 A Bonds shall be dated the date of delivery, shall finally mature June 1, 2032, shall bear no interest. The principal of the

Series 2000 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2002, in the amounts as set forth in the Schedule Y attached to the Loan Agreement and incorporated in and made a part of the Series 2000 A Bonds. The Issuer hereby approves and shall pay the SRF Administrative Fee equal to 0.5% of the principal amount of the Series 2000 A Bonds set forth in the Schedule Y attached to the Loan Agreement. The Series 2000 A Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the Registered Owner of the Series 2000 A Bonds.

(B) Sewer Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bonds, numbered BR-1, in the original principal amount of $6,250,000. The Series 2000 B Bonds shall be dated the date of delivery, shall finally mature December 1, 2040, shall bear no interest. The principal of the Series 2000 B Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2002, in the amounts as set forth in the Schedule Y attached to the Loan Agreement and incorporated in and made a part of the Series 2000 B Bonds. The Series 2000 B Bonds shall be subject to redemption upon the written consent of the Authority and the Infrastructure Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the Registered Owner of the Series 2000 B Bonds.

Section 3. All other provisions relating to the Bonds and the text of the Bonds shall be in substantially the form provided in the Bond Ordinance.

Section 4. The Issuer hereby ratifies, approves and accepts the Loan Agreement, including all schedules and exhibits attached thereto, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the application to the DEP, the Infrastructure Council and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 5. The Issuer hereby appoints and designates United National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Bonds under the Bond Ordinance and approves and accepts the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed and approved.

Section 6. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Commission"), to serve as Paying Agent for the Bonds under the Bond Ordinance.

Section 7. The Issuer hereby appoints and designates United National Bank, Weston, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 8. Series 2000 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2000 A Bonds Sinking Fund as capitalized interest.

Section 9. Series 2000 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2000 A Bonds Reserve Account.

Section 10. Series 2000 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 2000 B Bonds Sinking Fund as capitalized interest.

Section 11. Series 2000 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 2000 B Bonds Reserve Account.

Section 12. Series 2000 B Bonds proceeds in the amount of $206,000 shall be used to pay in full the entire outstanding principal of and all interest and administrative fees on the Prior Notes on the date hereof.

Section 13. The remaining proceeds of the Bonds, as advanced from time to time, shall be deposited in or credited to the respective Bonds Construction Trust Funds, as received from time to time for payment of costs of the Project, including costs of issuance of the Bonds.

Section 14. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered to the Authority pursuant to the Loan Agreement on or about December 20, 2000.

Section 15. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 16. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in

money market accounts secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to invest all moneys in such money market accounts until further directed in writing by the Issuer. Moneys in the Series 2000 A Bonds Sinking Fund and the Series 2000 A Bonds Reserve Account shall be invested by the Commission in the West Virginia Consolidated Fund.

Section 17. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 18. The Issuer hereby approves the costs of issuance and authorizes the payment of the same.

Section 19. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 4th day of December, 2000.

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of Weston on the 4th day of December, 2000.

Dated this 20th day of December, 2000.

[SEAL]

City Clerk

11/22/00
004812/00304

WEST VIRGINIA
Water Development Authority

Celebrating 31 Years of Service 1974 - 2005

CITY OF WESTON
SEWER REVENUE BONDS,
SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND)

CONSENT TO ISSUANCE OF PARITY BONDS

In reliance upon a certificate of an independent certified public accountant stating that the coverage and parity requirements have been met, the undersigned duly authorized representative of the West Virginia Water Development Authority, the registered owner of the Prior Bonds, hereinafter defined and described, hereby consents to the issuance of the Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund) (the "Bonds"), in the original principal amount of $597,037, by the City of Weston (the "Issuer"), under the terms of the Bond Ordinance authorizing the Bonds, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's Sewer Revenue Bonds, Series 1996, Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program) and Sewer Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund) (collectively, the "Prior Bonds").

WITNESS my signature on this 24th day of June, 2005.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Authorized Representative

180 Association Drive, Charleston, WV 25311-1217
phone (304) 558-3612 / fax (304) 558-0299
www.wwda.org

CITY OF WESTON
SEWER REVENUE BONDS,
SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND)

GENERAL CERTIFICATE ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. SIGNATURES AND DELIVERY
6. RATES
7. INCUMBENCY AND OFFICIAL NAME
8. MEETINGS
9. INSURANCE
10. LOAN AGREEMENT
11. SPECIMEN BOND
12. BOND PROCEEDS
13. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE
14. LAND AND RIGHTS-OF-WAY
15. PUBLIC SERVICE COMMISSION ORDER
16. CONFLICTS OF INTEREST
17. VERIFICATION OF SCHEDULE
18. PROCUREMENT OF ENGINEERING SERVICES
19. GRANTS
20. COMPLIANCE WITH WEST VIRGINIA JOBS ACT
21. COUNTERPARTS

On this 24th day of June, 2005, we, the undersigned MAYOR and the undersigned CITY CLERK of the City of Weston in Lewis County, West Virginia (the "Issuer"), and the undersigned ATTORNEY for the Issuer, hereby certify in connection with the City of Weston Sewer Revenue Bonds, Series 2005 A(West Virginia Infrastructure Fund), dated the date hereof (the "Bonds" or the "Series 2005 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 set forth in the Bond Ordinance duly passed by the Issuer on March 7, 2005, effective April 4, 2005, the Supplemental Resolution duly adopted by the Issuer on June 6, 2005 (collectively, the "Ordinance"), the Loan Agreement by and between the Issuer and the West Virginia Water Development

Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council"), dated June 24, 2005 (the "Loan Agreement").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting in any manner the authorization, issuance, sale and delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the collection or use of the Gross Revenues, or the pledge and security of the Net Revenues for the Bonds; nor affecting the validity of the Bonds or any provisions made or authorized for the payment thereof; nor questioning the existence of the Issuer or the title of the members or officers of the Issuer or the Governing Body thereof to their respective offices; nor questioning any proceedings of the Issuer taken with respect to the authorization, issuance, sale or delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the collection or use of the Gross Revenues, or the pledge and security of the Net Revenues for the Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable and necessary approvals, permits, exemptions, consents, authorizations, registrations, licenses, orders, 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 Code of West Virginia, 1931, as amended, which bids remain in full force and effect.

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

There are outstanding obligations of the Issuer which will rank on a parity with the Bonds as to liens, pledge, source of and security for payment, being the (i) Sewer Revenue Bonds, Series 1996, dated December 10, 1996, issued in the original principal amount of $1,274,287; (ii) Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated December 20, 2000, issued in the original principal amount of $3,192,097; and (iii) Sewer Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund), dated December 20, 2000, issued in the original principal amount of $6,250,000 (collectively, the "Prior Bonds").

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

5. SIGNATURES AND DELIVERY: The undersigned Mayor and City Clerk are the duly elected or appointed, qualified and acting officers of the Issuer as indicated by the official titles opposite their signatures below, and are duly authorized to execute and seal the Bonds for the Issuer. The seal impressed upon the Bonds and this Certificate is the duly authorized, proper and only seal of the Issuer. On the date hereof, the undersigned Mayor did officially sign all of the Bonds, consisting upon original issuance of a single Bond, dated the date hereof, by his or her manual signature; the undersigned City Clerk did officially cause the seal of the Issuer to be affixed upon the Bonds and to be attested by his or her manual signature; and the Registrar did officially authenticate, register and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreement.

6. RATES: The Issuer has duly enacted a sewer rate ordinance on August 2, 2004, setting forth the rates and charges for the services of the System. The Issuer has complied with all requirements of the Act and the Public Service Commission of West Virginia (the "PSC") to make the rates valid and effective. The time for appeal of such rate ordinance has expired and there has been no appeal thereof and such rates are in full force and effect.

7. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is the "City of Weston." The Issuer is a municipal corporation and political subdivision of the State of West Virginia in Lewis County of said State. The Governing Body of the Issuer is its Council, consisting of 4 Council members and the Mayor, all duly elected or appointed, qualified and acting, whose names and dates of commencement and termination of their current terms of office are listed below:

Office	Name	Date Of Commencement Of Office	Date Of Termination Of Office
Mayor	Jon Tucci	July 1, 2003	June 30, 2007
Council Member	Richard John	July 1, 2003	June 30, 2007
Council Member	Louella Clem	July 1, 2003	June 30, 2007
Council Member	Betty Brooks	July 1, 2003	June 30, 2007
Council Member	Charles Hathaway	March 1, 2004	June 30, 2007

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

Chairman:	Jon Tucci
Member:	Frank Angotti
Member:	Bob Nicholson
Member:	Walter Gilbertson, P.E.

The duly appointed City Clerk of the Issuer is Rebecca Pickens. The duly appointed and acting Attorney for the Issuer is Weber & Weber, Weston, West Virginia.

8. MEETINGS: All actions, ordinances, resolutions, orders and agreements taken, adopted and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds and the acquisition, construction, operation and financing of the Project or the System were authorized or adopted at meetings of the Governing Body duly and regularly or specifically called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes including Chapter 6, Article 9A of the Code of West Virginia, 1931, as amended, and a quorum of duly elected or appointed, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

9. INSURANCE: The Issuer will maintain or, as appropriate, will require all contractors to maintain worker's compensation, public liability and property damage insurance, standard hazard insurance, builder's risk insurance, flood insurance and business interruption insurance, where applicable, in accordance with the Ordinance and the Loan Agreement. All insurance for the System required by the Ordinance and the Loan Agreement are in full force and effect.

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

11. SPECIMEN BOND: Attached hereto as Exhibit A is a specimen of the Bonds which are identical in all respects with the Bonds this day delivered to the Authority and being substantially in the form prescribed in the Ordinance.

12. BOND PROCEEDS: On the date hereof, the Issuer received $117,160 from the Authority and the Council, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer from time to time as acquisition and construction of the Project progresses.

13. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in the Weston Democrat, a qualified newspaper published and of general circulation in the City of Weston, and in the Clarksburg Exponent-Telegram, a newspaper of general circulation in the City of Weston, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in the Bond Ordinance, stating that any person interested may appear before the Governing Body at the public hearing held at a public meeting of the Governing Body on April 4, 2005, at 7:00 p.m., prevailing time, at the Lewis County Senior Citizens Center, Weston, West Virginia, and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the City Clerk of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing and remains in full force and effect.

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

15. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the PSC Orders entered on January 11, 2005, and June 21, 2005, in Case No. 04-0982-S-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the January 11, 2005 Order has expired prior to the date hereof without any appeal having been filed. The time for appeal of the June 21, 2005 Order has not expired on the date hereof. However, the parties

to such Order have stated that they will not appeal such Order. The Issuer hereby certifies that it will not appeal such Order. Both Orders remain in full force and effect.

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

17. VERIFICATION OF SCHEDULE: The final amended Schedule B attached to the Certificate of Consulting Engineer, with the signature of the Mayor and the Consulting Engineer, accurately represents the estimated costs of the Project, the sources of funds available to pay the costs of the Project and the costs of financing of the Bonds.

18. PROCUREMENT OF ENGINEERING SERVICES: The Issuer has complied with all the requirements of Chapter 5G, Article 1 of the Code of West Virginia, 1931, as amended, in the procurement of the engineering services of the Consulting Engineer.

19. GRANTS: As of the date hereof, the grant from the Infrastructure Council in the amount of $492,000 is committed for the Project and in full force and effect.

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

21. COUNTERPARTS: This Certificate may be executed in counterparts and all counterparts shall be deemed to be the Certificate.

WITNESS our signatures and the official corporate seal of the City of Weston, West Virginia, dated as of the date first written above.

[SEAL]

Signature	Official Title
	Mayor
Rebecca J. Pickens	City Clerk
	Attorney

EXHIBIT A

See Specimen Bond (Tab No. 19)

05/17/05
100530/00308

CITY OF WESTON
SEWER REVENUE BONDS,
SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND)

CERTIFICATE AS TO USE OF PROCEEDS

On this 24th day of June, 2005, the undersigned Mayor of the City of Weston in Lewis County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of $597,037 Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), of the Issuer, dated June 24, 2005 (the "Bonds" or the "Series 2005 A Bonds"), hereby certify as follows:

1. I am one of the officers of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Ordinance duly passed by the Issuer on March 7, 2005, effective April 4, 2005 (as supplemented, the "Bond Ordinance"), authorizing the Bonds.

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

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on June 24, 2005, the date on which the Bonds are being physically delivered in exchange for a portion of the principal amount of the Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

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

5. The Bonds were sold on June 24, 2005, to the Authority, pursuant to a loan agreement dated June 24, 2005, by and between the Issuer and the Authority, on behalf of the Infrastructure Council, for an aggregate purchase price of $597,037 (100% of par), at

which time, the Issuer received $117,160 from the Authority and the Infrastructure Council, being the first advance of the principal amount of the Bonds. No accrued interest has been or will be paid on the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

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

7. The Issuer shall on the date hereof or immediately hereafter enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds for the acquisition and construction of the Project, constituting a substantial binding commitment. 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 constituting capitalized interest, if any, and proceeds deposited in the Reserve Account for the Bonds, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before February, 2006. The acquisition and construction of the Project is expected to be completed by November, 2005.

8. The total cost of the Project is estimated at $1,089,037. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Bonds	$ 597,037
Infrastructure Council Grant	492,000
Total Sources	$1,089,037

USES

Costs of the Project	$1,073,037
Capitalized Interest	-0-
Fund Reserve Account	-0-
Costs of Issuance	16,000
Total Uses	$1,089,037

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

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Series 2005 A Bonds Construction Trust Fund;

(4) Series 2005 A Bonds Sinking Fund; and

(5) Series 2005 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 2005 A Bonds proceeds in the amount of $-0- will be deposited in the Series 2005 A Bonds Sinking Fund as capitalized interest and applied to payment of interest on the Series 2005 A Bonds during acquisition and construction of the Project and for a period not to exceed six months following completion thereof.

(2) Series 2005 A Bonds proceeds in the amount of $-0- will be deposited in the Series 2005 A Bonds Reserve Account.

(3) The balance of the proceeds of the Bonds will be deposited in the Series 2005 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 Bonds and related costs.

11. Moneys held in the Series 2005 A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2005 A Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on moneys in the Series 2005 A Bonds Sinking Fund and Series 2005 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2005 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 5 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 2005 A Bonds Sinking Fund for payment of interest, if any, on the Series 2005 A Bonds and the amount deposited in the Series 2005 A Bonds Reserve Account, if any, all of the proceeds of the Series 2005 A Bonds will be expended on the Project within 8 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. The Issuer covenants that it shall maintain thorough and accurate accounting records, in conformance with generally accepted accounting principles, relative to the proceeds of the Bonds so that use of the proceeds of the Bonds can be accounted for.

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 governmental or public purpose bonds.

23. The Issuer has either (a) funded the Series 2005 A Bonds Reserve Account at the maximum amount of principal and interest, if any, which will mature and become due on the Series 2005 A Bonds in the then current or any succeeding year with the proceeds of the Series 2005 A Bonds, or (b) created the Series 2005 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2005 A Bonds Reserve Account hold an amount equal to the maximum amount of principal and interest, if any, which will mature and become due on the Series 2005 A Bonds in the then current or any succeeding year. Moneys in the Series 2005 A Bonds Reserve Account and the Series 2005 A Bonds Sinking Fund will be used solely to pay

principal of and interest, if any, on the Series 2005 A Bonds and will not be available to pay costs of the Project.

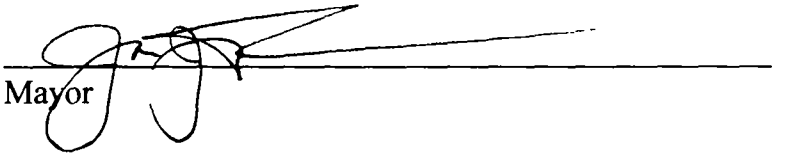
24. There are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Bonds, (b) are to be sold pursuant to a common plan of financing together with the Bonds and (c) will be paid out of substantially the same sources of funds of funds or will have substantially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

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

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

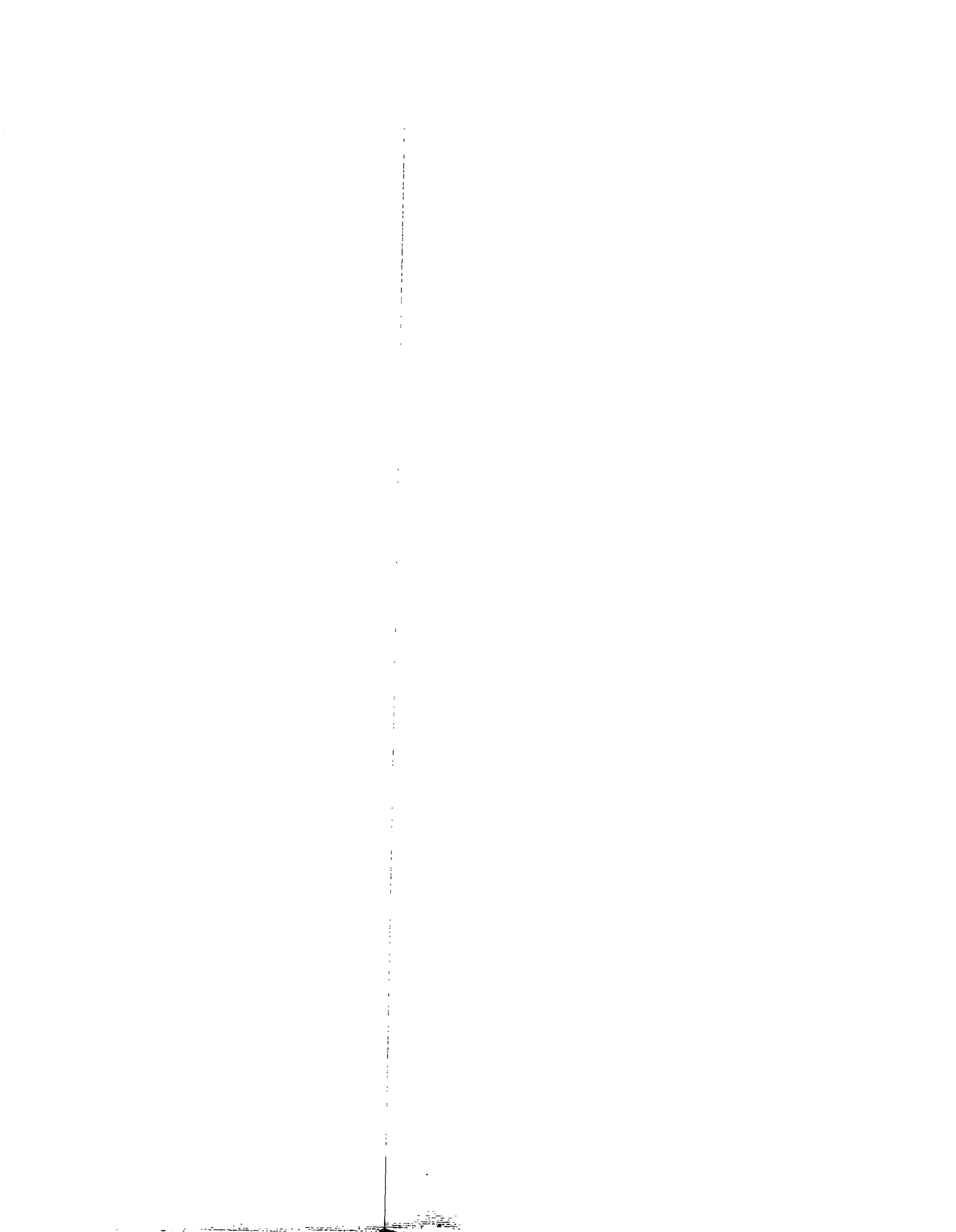
27. To the best of my knowledge, information and belief, the foregoing expectations are reasonable.

WITNESS my signature as of the date first written above.



Mayor

05/16/05
100530/00308



CITY OF WESTON
SEWER REVENUE BONDS,
SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND)

CERTIFICATE OF CITY CLERK AS TO TRUTH
AND ACCURACY OF DOCUMENTS DELIVERED

On this 24th day of June, 2005, the undersigned duly appointed City Clerk of the City of Weston, West Virginia (the "Issuer"), hereby certifies that the copies of the following documents being delivered in connection with the closing of the sale of the City of Weston Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund) (the "Bonds") are, as of the date hereof, true, complete and accurate copies of the originals of those documents maintained on file with the Issuer and delivered in the transcript of proceedings, that said documents have been duly adopted, enacted or entered by the Council of the Issuer, and that said documents are still in full force and effect as of the date hereof and have not been repealed, rescinded, superseded, amended or modified in any way unless the document effecting such repeal, rescission, supersedence, amendment or modification is also listed below:

1. Charter.

2. Oaths of Office of Mayor, City Clerk and Council Members.

3. Rules of Procedure of Council.

4. Ordinance Creating Sanitary Board.

5. Oaths of Office of Sanitary Board Members.

6. Rules of Procedure of Sanitary Board.

7. Public Service Commission Order.

8. Infrastructure Council Approval Letter.

9. Infrastructure Council Loan Agreement.

10. Rate Ordinance.

11. Minutes of Council Meetings regarding All Readings and Public Hearing of the Rate Ordinance.

12. Affidavit of Publication of the Rate Ordinance and Notice of Public Hearing.

13. Petition of Sanitary Board.

14. Bond Ordinance.

15. Supplemental Resolution.

16. Minutes of Council Meetings regarding All Readings and Public Hearing of the Bond Ordinance and Adoption of the Supplemental Resolution.

17. Affidavit of Publication of the Notice of Public Hearing and Abstract of Bond Ordinance.

18. 1996 Bond Ordinance and Supplemental Resolution.

19. 2000 Bond Ordinance and Supplemental Resolution.

20. WDA Consent to Issuance of Parity Bonds.

21. Infrastructure Council Grant Agreement.

22. BPH Permit.

23. NPDES Permit.

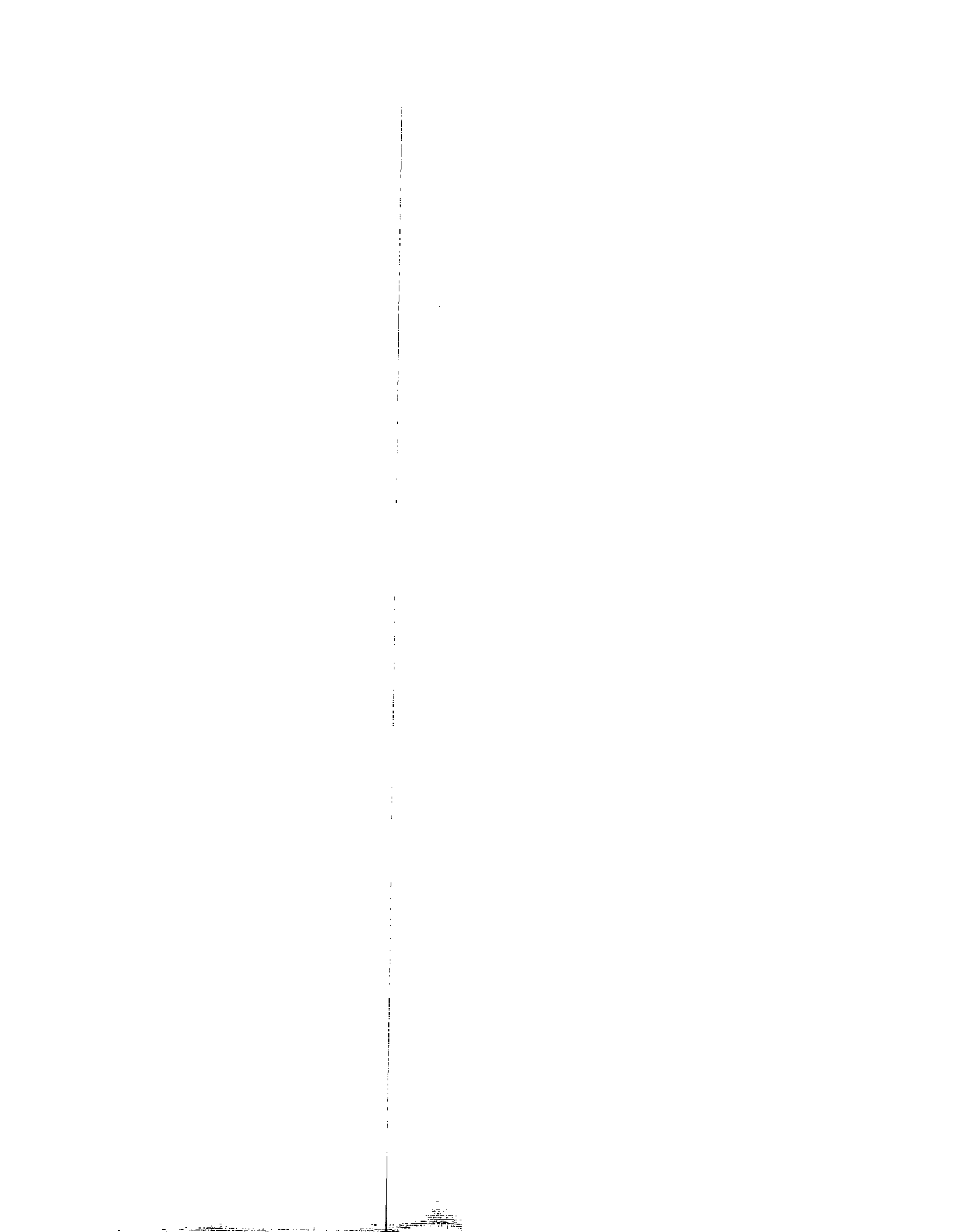
24. Insurance Certificates.

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

Rebecca J. Pickens
City Clerk

[SEAL]

05/16/05
100530/00308



CITY OF WESTON
SEWER REVENUE BONDS,
SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND)

3.4

CERTIFICATE OF CONSULTING ENGINEER

On this 24th day of June, 2005, I, Joseph T. Carney, Registered Professional Engineer, West Virginia License No. 7254, of E. L. Robinson Engineering Co., Consulting Engineers, Cross Lanes, West Virginia, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing public sewerage system (the "System") of the City of Weston (the "Issuer"), to be constructed primarily in Lewis County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. All capitalized words used herein and not defined herein shall have the same meaning set forth in the Bond Ordinance passed by the Issuer on March 7, 2005, effective April 4, 2005, and the Loan Agreement for the Bonds by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council"), dated June 24, 2005 (the "Loan 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; and (ii) paying costs of issuance and related costs.

3. To the best of my knowledge, information and belief (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the Infrastructure Council and any change orders approved by the Issuer, the Infrastructure Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 40 years, if properly constructed, operated and maintained,

excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A, and in reliance upon the opinion of Issuer's counsel, Weber & Weber, dated the date hereof, all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the Infrastructure Council and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) in reliance upon the certificate of Harris & Company, CPA, dated the date hereof, as of the effective date thereof, the rates and charges for the System as enacted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the Infrastructure Council; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

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

[SEAL]

E. L. ROBINSON ENGINEERING CO.

Joseph T. Carney, P.E.
West Virginia License No. 7254

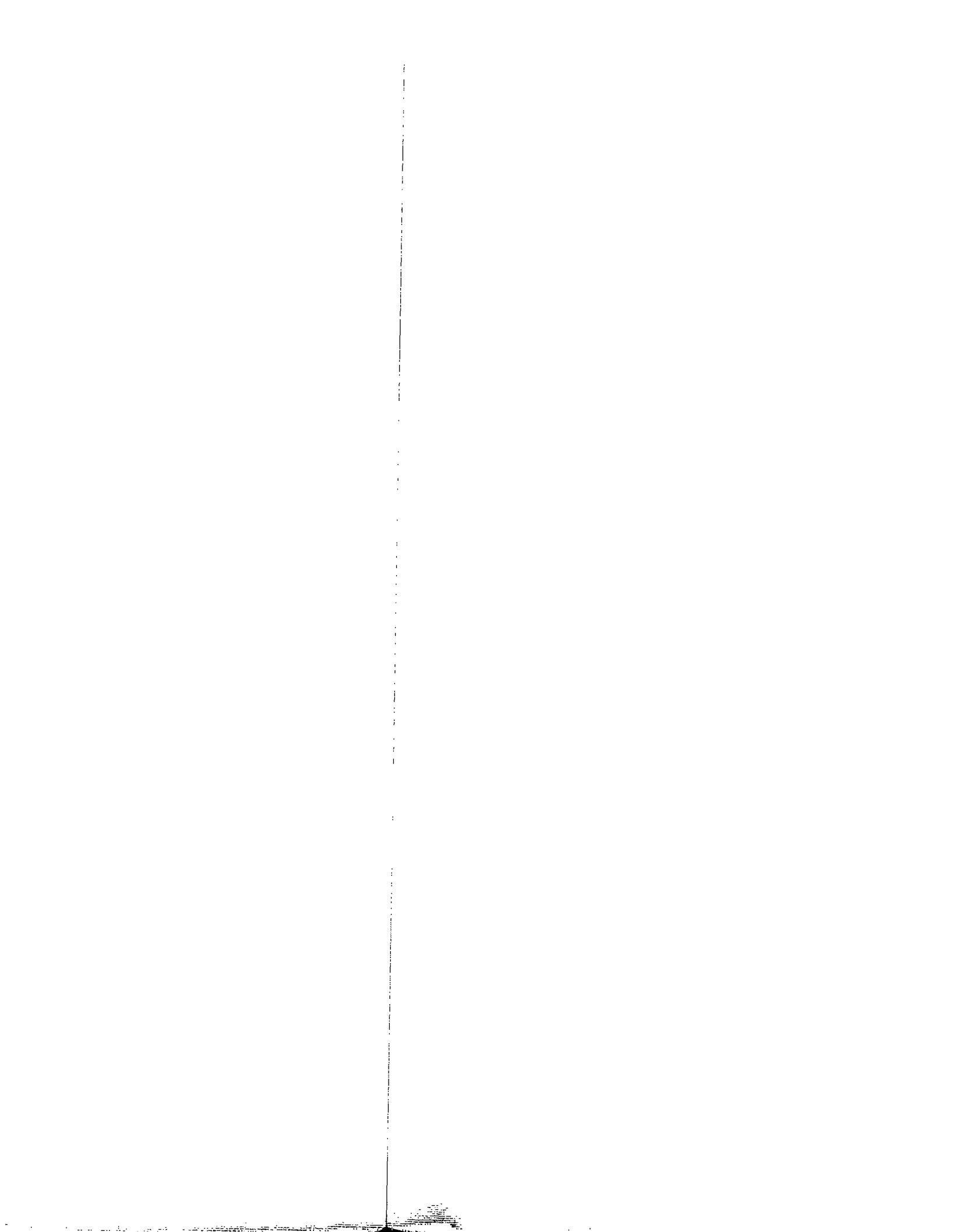
05/17/05
100530/00308

SCHEDULE B
City of Weston Sewer Project

A. COST OF PROJECT	TOTAL	IJDC
1 Construction		
Contract 1	865,940.00	865,940.00
2 Technical Services		
a. Planning	15,000.00	15,000.00
b. Design	40,500.00	40,500.00
c Construction	90,000.00	90,000.00
3 Legal & Fiscal		
a. Legal	10,000.00	10,000.00
b. Accounting	3,000.00	3,000.00
4 Administrative	0.00	0.00
5 Sites & Other Lands	5,000.00	5,000.00
6 Miscellaneous Health permit	300.00	300.00
7 Contingency 5%	43,297.00	43,297.00
8 TOTAL of Lines 1 through 7	1,073,037.00	1,073,037.00
B. COST OF FINANCING		
9 Capitalized interest	0.00	0.00
10 Other Costs		
a. Registrar fees	500.00	500.00
b Bond Counsel	15,500.00	15,500.00
11 Cost of Issuance	16,000.00	16,000.00
12 TOTAL PROJECT COST line 9 plus line 11	1,089,037.00	1,089,037.00
C. SOURCES OF OTHER FUNDS		
13 Federal Grants		
14 State grants (IJDC)	492,000.00	492,000.00
15 Other Grants		
16 Any Other Source		
17 TOTAL GRANTS Lines 14 through 16	492,000.00	492,000.00
18 Size of Bond Issue	597,037.00	597,037.00

City of Weston — Date 6-13-05

E.L. Robinson Engineering — Date 6-13-05



HARRIS & COMPANY

Certified Public Accountants

Buckhannon Office
P.O. Box 732
Buckhannon, WV 26201
(304) 472-1928

Weston Office
235 North River Avenue
Weston, WV 26452
(304) 269-2269

June 24, 2005

CITY OF WESTON
SEWER REVENUE BONDS,
SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND)

City of Weston
Weston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

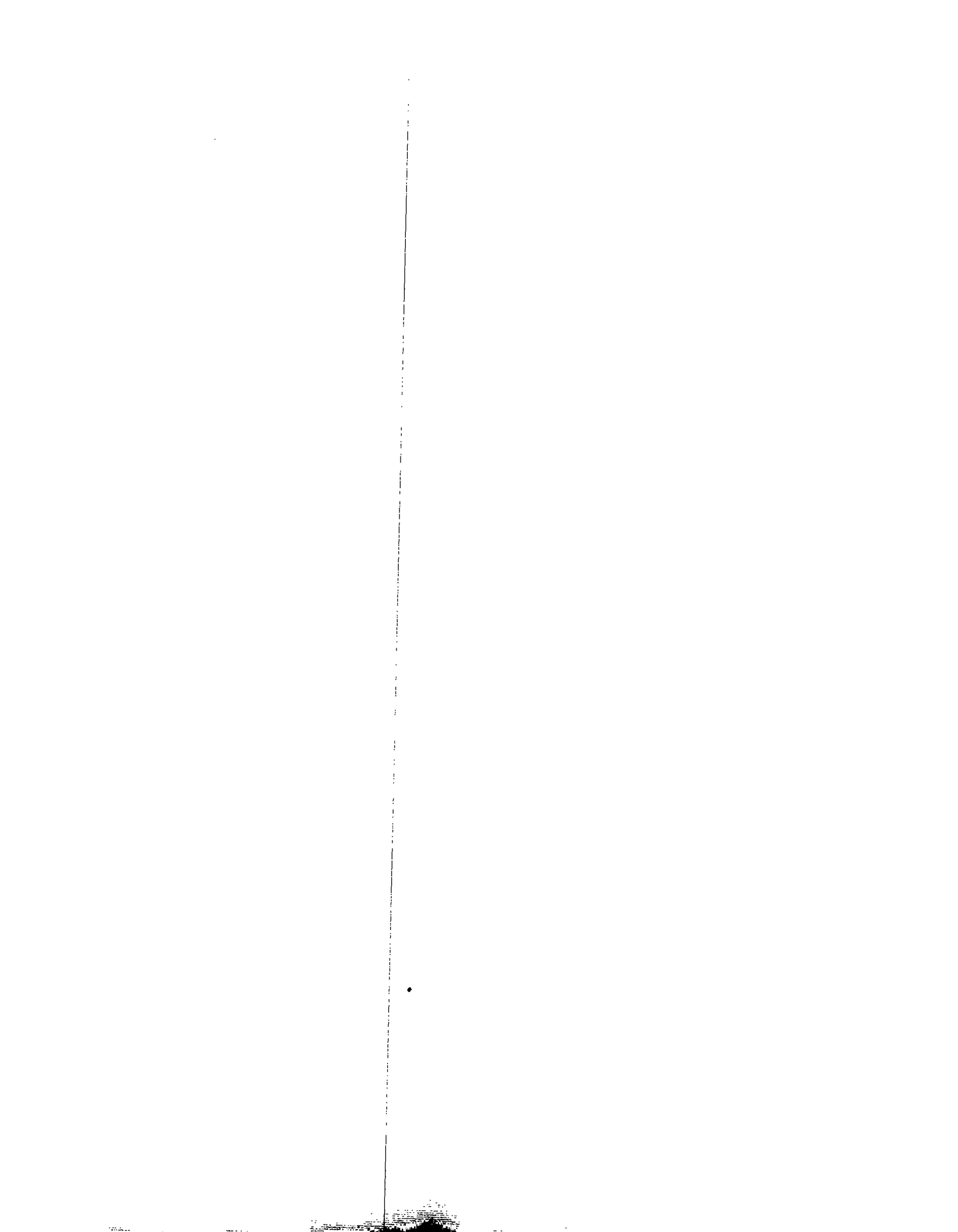
I have reviewed the sewer service rates of the City of Weston (the "Issuer"), enacted by the Issuer on August 2, 2004, the projected operating expenses and the anticipated customer usage provided by E. L. Robinson Engineering Co., the consulting engineer of the Issuer. It is our opinion that such rates are sufficient (i) to provide for all operating expenses of the sewerage system of the Issuer (the "System"), and (ii) to leave a balance each fiscal year equal to at least 115% of the maximum amount required in any succeeding fiscal year for the payment of principal of and interest on the Issuer's Sewer Revenue Bonds, Series 1996; Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program); Sewer Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund) (collectively, the "Prior Bonds") and Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund) (the Series 2005 A Bonds").

It is our further opinion that the Net Revenues actually derived from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of the Series 2005 A Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Series 2005 A Bonds, will not be less than 115% of the maximum debt service in any succeeding year on the Prior Bonds and the Series 2005 A Bonds.

Very truly yours,

Harris & Company

Harris & Company, C.P.A.'s



CITY OF WESTON 3.6
SEWER REVENUE BONDS,
SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND)

RECEIPT FOR BONDS

On this 24th day of June, 2005, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, hereby certifies as follows:

1. On the date hereof, in Charleston, West Virginia, the Authority received the Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), of the City of Weston (the "Issuer"), in the principal amount of $597,037, numbered AR-1, issued in the form of one bond, fully registered to the Authority, and dated June 24, 2005 (the "Bonds").

2. At the time of such receipt of the Bonds, they had been executed by the Mayor of the Issuer and attested by the City Clerk of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been impressed upon the Bonds.

WITNESS my signature as of the date first written above.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Barbara B Meadows
Authorized Representative

05/16/05
100530/00308

M0446051.1

CITY OF WESTON
SEWER REVENUE BONDS,
SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND)

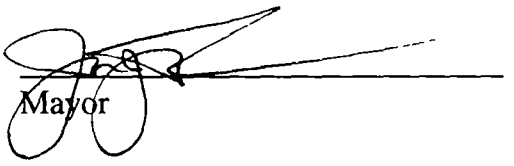
RECEIPT FOR BOND PROCEEDS

On this 24th day of June, 2005, the undersigned Mayor of the City of Weston (the "Issuer"), for and on behalf of the Issuer, hereby certifies as follows:

On the date hereof, the Issuer received from the West Virginia Water Development Authority (the "Authority"), as the original purchaser of the $597,037 City of Weston Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), dated June 24, 2005 (the "Bonds"), the sum of $117,160, being a portion of the principal amount of the Bonds. The Issuer understands that the remaining proceeds of the Bonds will be advanced to the Issuer by the Authority and the West Virginia Infrastructure and Jobs Development Council from time to time as construction proceeds to completion.

WITNESS my signature as of the date first written above.

CITY OF WESTON



Mayor

06/03/05
100530/00308

M0446053.1

CITY OF WESTON
SEWER REVENUE BONDS,
SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND)

REQUEST AND AUTHORIZATION TO
AUTHENTICATE, REGISTER AND DELIVER THE BONDS

United Bank, Inc., as Registrar
Charleston, West Virginia

Ladies and Gentlemen:

On this 24th day of June, 2005, we herewith hand to you, duly executed, the $597,037 Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), in the form of one bond, numbered AR-1, dated June 24, 2005 (the "Bonds"), of the City of Weston, West Virginia (the "Issuer"), authorized to be issued under and pursuant to a Bond Ordinance duly passed by the Issuer on March 7, 2005, effective April 4, 2005, and a Supplemental Resolution duly adopted by the Issuer on June 6, 2005.

You are hereby requested and authorized to authenticate, register and deliver the Bonds on behalf of the Issuer to the West Virginia Water Development Authority.

WITNESS our signatures as of the date first written above.

CITY OF WESTON

Mayor

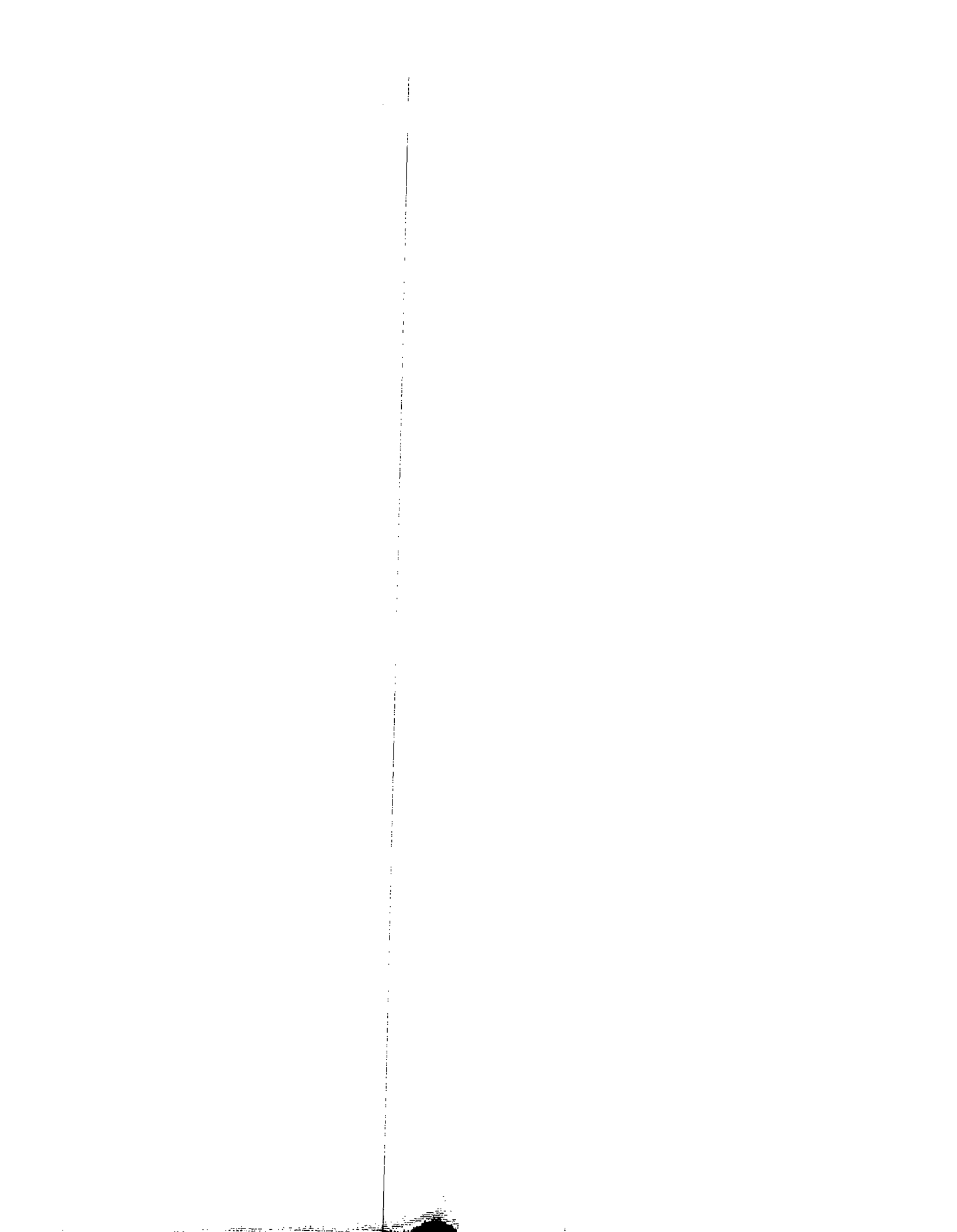
(SEAL)

Attest:

Rebecca J. Pickens
City Clerk

05/16/05
100530/0308

M0446056.1



CITY OF WESTON
SEWER REVENUE BONDS,
SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 24th day of June, 2005, by and between the CITY OF WESTON, WEST VIRGINIA, a municipal corporation (the "Issuer"), and UNITED BANK, INC., Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $597,037 Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), dated June 24, 2005 (the "Bonds"), in the form of one bond and in fully registered form, pursuant to a Bond Ordinance duly passed by the Issuer on March 7, 2005, effective April 4, 2005, and a Supplemental Resolution duly adopted June 6, 2005 (collectively, the "Ordinance");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Ordinance, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Ordinance provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Ordinance and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Ordinance and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Ordinance, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest, if any, on the Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or

similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation heretofore agreed by the parties and set forth in the attached invoice.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Ordinance with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Ordinance, the terms of the Ordinance shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Ordinance will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective address:

ISSUER:

City of Weston
102 West Second Street
Weston, WV 26452
Attention: Mayor

REGISTRAR:

United Bank, Inc.
500 Virginia Street East
Charleston, WV 25392
Attention: Corporate Trust Department

The Issuer and the Registrar shall notify the other in writing of any change of address.

8. The Registrar is hereby requested and authorized to authenticate, register and deliver the Bonds in accordance with the Ordinance.

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the date first written above.

CITY OF WESTON

Mayor

UNITED BANK, INC.

Authorized Officer

EXHIBIT A

See Bond Ordinance (Tab No. 15) and
Supplemental Resolution (Tab No. 16)

05/16/05
100530/00308

UNITED BANK
WEST VIRGINIA'S BANK

I N V O I C E

Date: June 1, 2005

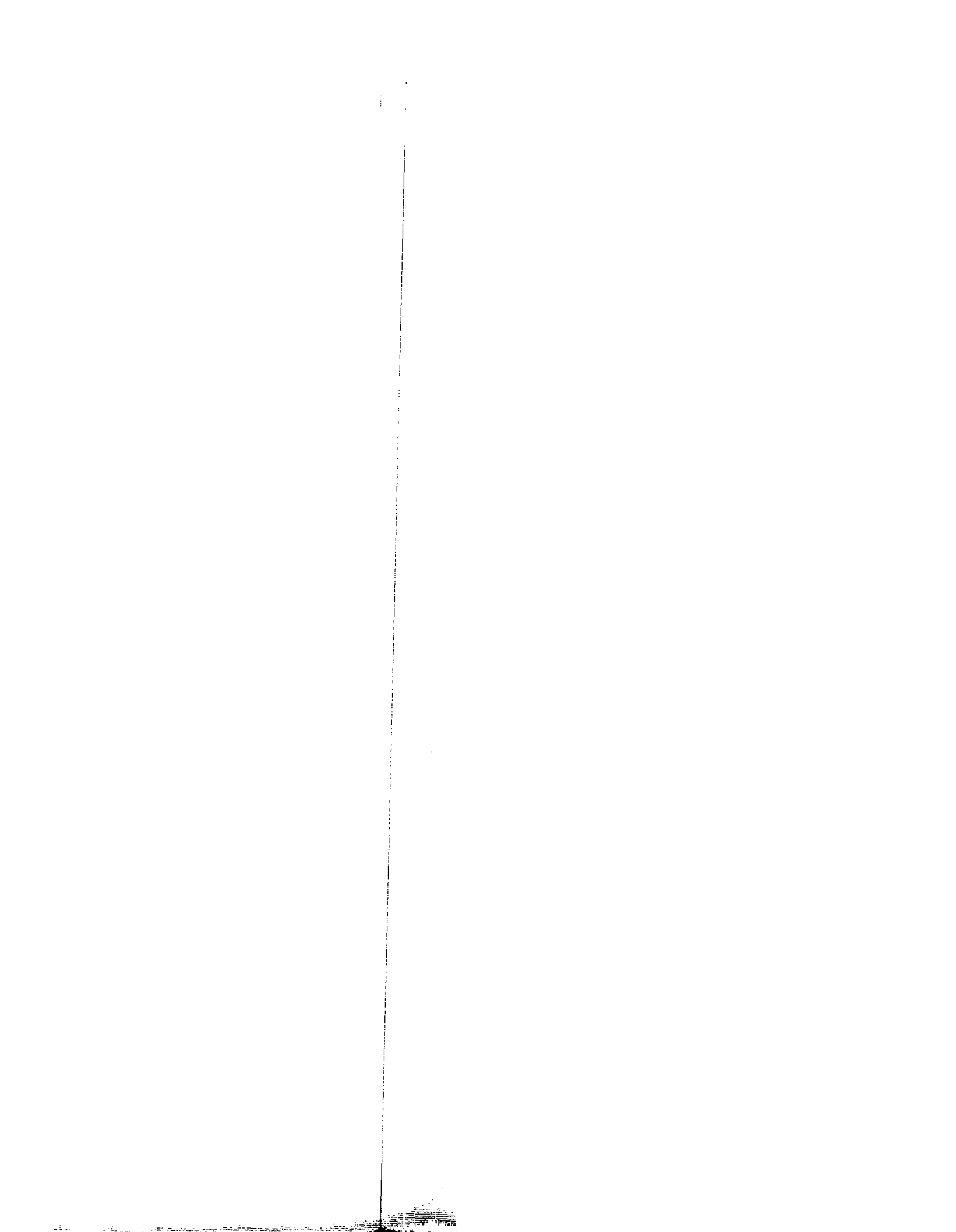
To: City of Weston

Re: City of Weston
Sewer Revenue Bonds
West Virginia Infrastructure Fund
Series 2005 A

Amount Due: $ 500.00

Account Acceptance Registrar Fee	$ 500.00

Please remit to United Bank, Inc.
Corporate Trust Department
P. O. Box 393
Charleston, WV 25392



CITY OF WESTON
SEWER REVENUE BONDS,
SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND)

3.10

CERTIFICATE OF REGISTRATION OF BONDS

UNITED BANK, INC., Charleston, West Virginia, as Registrar (the "Registrar"), hereby certifies that on the date hereof, the single, fully registered Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), of the City of Weston, West Virginia (the "Issuer"), dated June 24, 2005, in the principal amount of $597,037, and 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 Registrar.

WITNESS my signature on this 24th day of June, 2005.

UNITED BANK, INC., as Registrar

Authorized Officer

05/16/05
100530/00308

CITY OF WESTON
SEWER REVENUE BONDS,
SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

UNITED BANK, INC., Weston, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of the City of Weston, West Virginia (the "Issuer"), passed by the Issuer on March 7, 2005, effective April 4, 2005, and a Supplemental Resolution adopted by the Issuer on June 6, 2005 (collectively, the "Ordinance"), authorizing the issuance of its Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), in the original principal amount of $597,037, dated June 24, 2005, and agrees to serve as Depository Bank, all as set forth in the Ordinance.

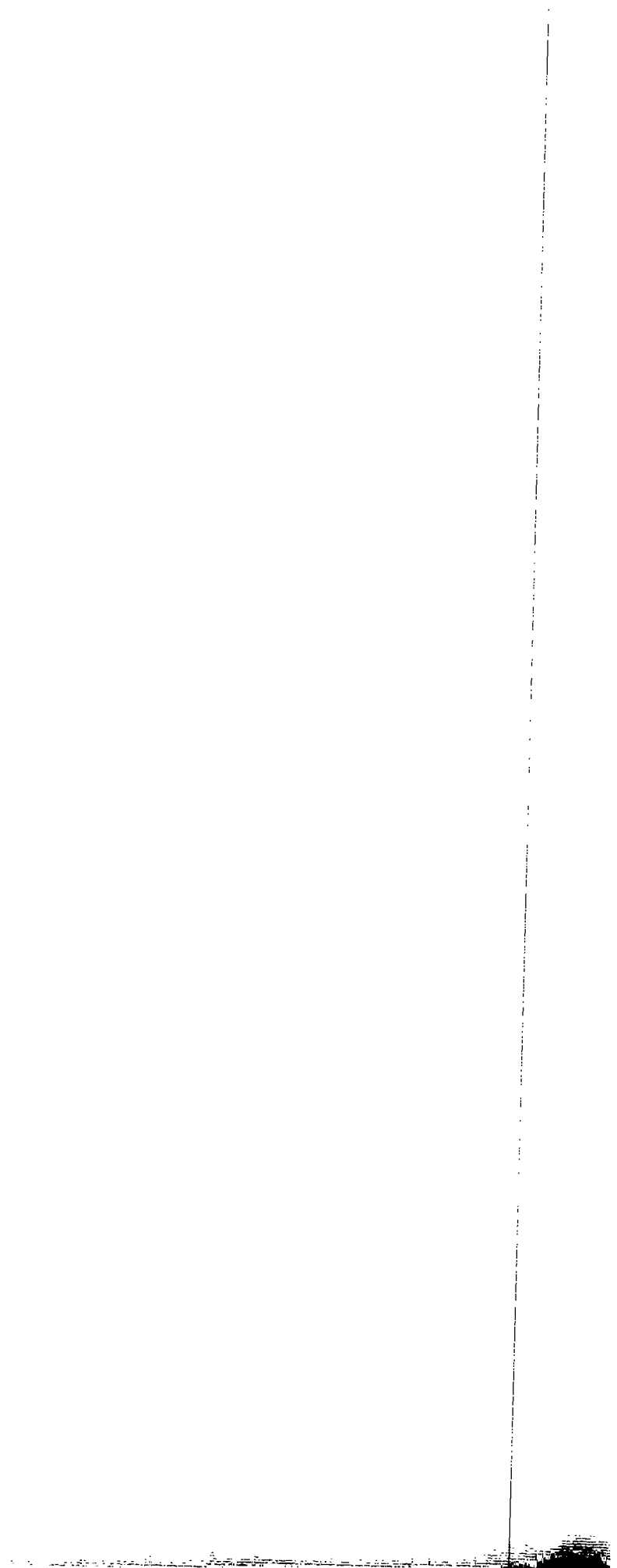
WITNESS my signature on this 24th day of June, 2005.

UNITED BANK, INC.

Jason K. Hair
Authorized Officer

05/17/05
100530/00308

M0446067.1



WEST VIRGINIA MUNICIPAL BOND COMMISSION
Suite 500
8 Capitol Street, Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM
Date of Report: June 24, 2005

ISSUE: City of Weston Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund)

ADDRESS: 102 West Second Street, Weston, WV 26452 COUNTY: Lewis

PURPOSE OF ISSUE: New Money X
Refunding ___ Refunds issue(s) dated: _____

ISSUE DATE: June 24, 2005 CLOSING DATE: June 24, 2005

ISSUE AMOUNT: $597,037 RATE: 0%

1st DEBT SERVICE DUE: December 1, 2006 1st PRINCIPAL DUE: December 1, 2006

1st DEBT SERVICE AMOUNT: $3,851.86 PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Jackson Kelly PLLC
Contact Person: Samme L. Gee, Esquire
Phone: (304) 340-1318

UNDERWRITERS COUNSEL: _____
Contact Person: _____
Phone: _____

CLOSING BANK: United Bank, Inc.
Contact Person: Jennifer Myers
Phone: (304) 269-7600

ESCROW TRUSTEE: _____
Contact Person: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT:
Contact Person: Jon Tucci
Position: Mayor
Phone: (304) 269-6141

OTHER: WV Infrastructure & Jobs Development Council
Contact Person: Katy Mallory, P.E.
Function: Executive Director
Phone: (304) 558-4607

DEPOSITS TO MBC AT CLOSE: _____
_____
By _____ Wire _____
_____ Check _____

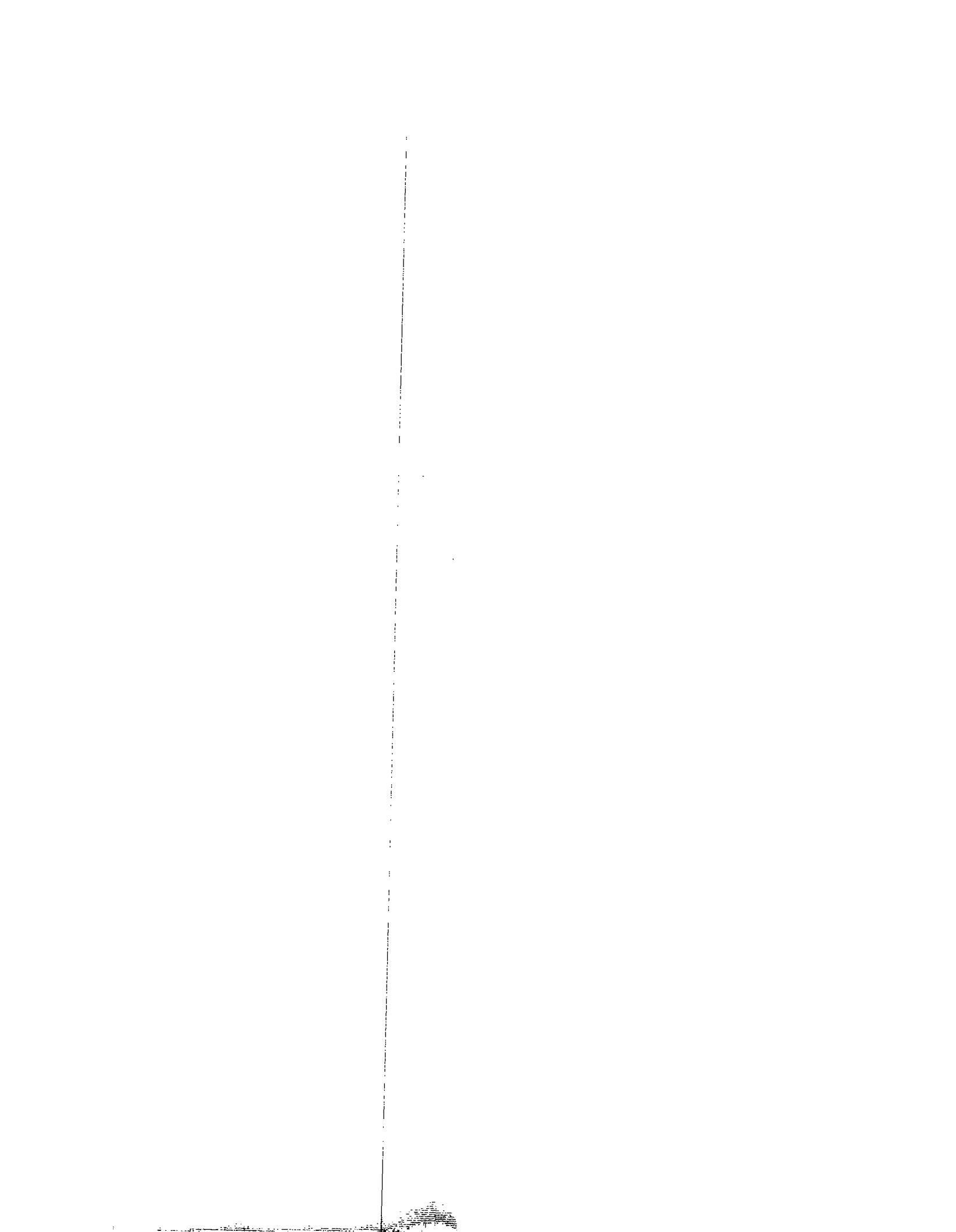
Accrued Interest: $_____
Capitalized Interest: $_____
Reserve Account: $_____
Other: _____ $_____

REFUNDS & TRANSFERS BY MBC AT CLOSE:
By _____ Wire _____ To Escrow Trustee: $_____
_____ Check _____ To Issuer: $_____
_____ IGT _____ To Cons. Invest. Fund $_____
_____ To Other: _____ $_____

NOTES: The Series 2005 A Bonds Reserve Account will be funded over 10 years.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
Documents Required: _____
Transfers Required: _____

05/24/05
100530/00308



IC-2
(7/30/01)

GRANT AGREEMENT

This Grant Agreement entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL(the "Council") and the CITY OF WESTON (the "Governmental Agency").

RECITALS

WHEREAS, the Council has authorized the Authority to make a grant to the Governmental Agency in the amount not to exceed $492,000 (the "Grant") for the purposes of the design, acquisition or construction of a project for which a preliminary application has been submitted and approved by the Council;

WHEREAS, the Governmental Agency wishes to accept the Grant upon such terms and conditions as are hereinafter set forth for the purposes of designing, acquiring or constructing the project described in Exhibit A attached hereto and incorporated herein by reference (the "Project");

WHEREAS, this Grant Agreement sets forth the Council, the Authority and the Governmental Agency's understandings and agreements with regard to the Grant.

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

TERMS

1. Prior to the distribution of the Grant, the Governmental Agency shall provide the Authority with a Project budget and an anticipated monthly draw schedule reflecting the receipt dates and amounts from other funding sources.

2. The Authority shall advance the Council's share of the Project costs from the Grant from time to time upon receipt of a requisition evidencing the costs incurred, which requisition must be satisfactory to the Authority.

3. The monthly requisition will also set forth (i) the amounts requested for that requisition period from all other funding agencies, and (ii) the amounts advanced for the Project to date from all other funding agencies.

4. The Governmental Agency will use the proceeds of the Grant only for the purposes specifically set forth in Exhibit A.

5. The Governmental Agency shall comply with and is bound by the Council's rules set forth as Title 167, Series 1 and more particularly Section 5.9 with respect to the sale of the Project.

6. The Governmental Agency acknowledges that the Grant may be reduced, from time to time, to reflect actual Project costs and availability of other funding.

7. The Governmental Agency shall list the Grant provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project.

8. This Grant Agreement shall be governed by the laws of the State of West Virginia.

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

CITY OF WESTON

By: _____
Its: Mayor
Date: June 24, 2005

(SEAL)

Attest:

Rebecca J. Pickens
Its: City Clerk

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

By: _____
Its: Director
Date: June 24, 2005

(SEAL)

Attest:

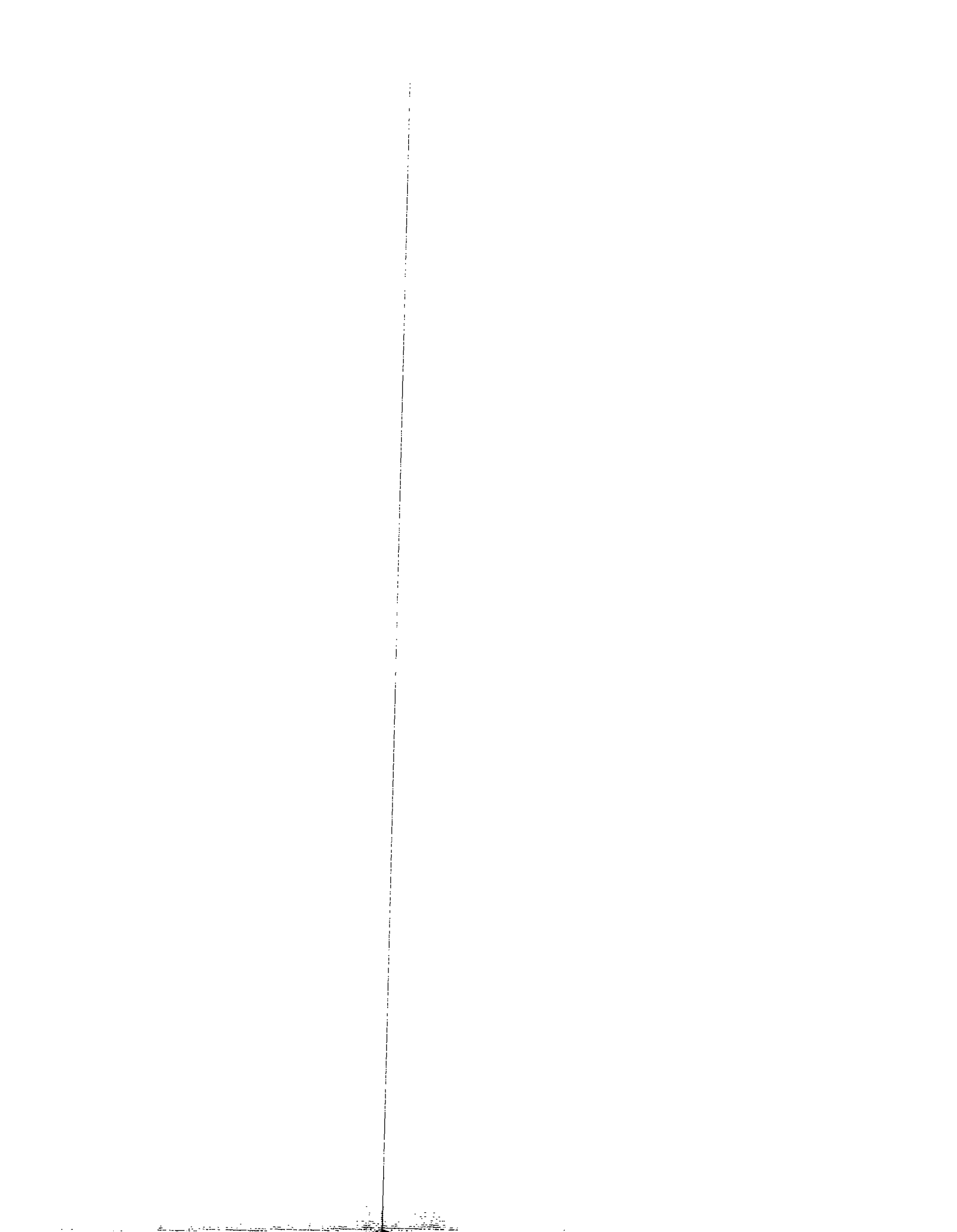
Barbara B Meadows
Its: Secretary-Treasurer

000832/00466
05/12/05

Exhibit A

Project Description

The Project consists of replacing existing 12-inch sanitary sewer lines located along Stonecoal Creek from its mouth at the West Fork River upstream to the Fest Pump Station in Weston, Lewis County, West Virginia, together with all appurtenant facilities.



State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

815 QUARRIER STREET, SUITE 418 CHARLESTON, WEST VIRGINIA 25301-2616
TELEPHONE 304-558-2981

(Sewage) **PERMIT**

PROJECT: Stonecoal Creek Sewer Replacement PERMIT NO.: 16,091

LOCATION: Weston COUNTY: Lewis DATE: 6/1/04

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

Weston Sanitary Board
2 Magnolia Plaza
Weston, West Virginia 26452

is hereby granted approval to: install approximately 1,372 LF of 18" and 1,003 LF of 12" sewer line and necessary cleanouts and manholes.

Facilities are to replace existing sewers along Stonecoal Creek from the Corner wastewater pump station to the Fest wastewater pump station in Weston.

The Environmental Engineering Division of the Philippi District Office (304) 457-2296 is to be notified when construction begins.

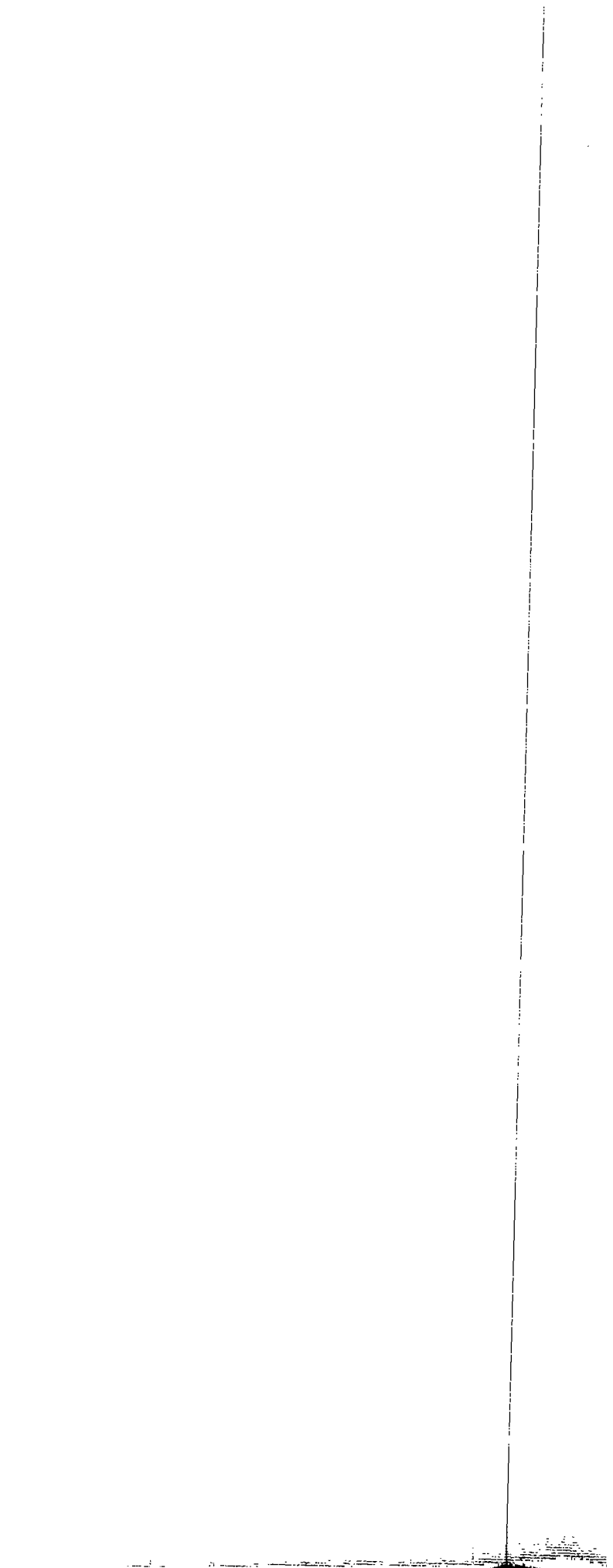
Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR

William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

WSH:nlh

pc: E. L. Robinson Engineering Co.
O. Robert Coontz, P.E., DEP
James W. Ellars, P.E., PSC-Engineering Division
Amy Swann, PSC
Lewis County Health Department
OEHS-EED Philippi District Office



dep

west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street SE
Charleston, WV 25304
Telephone Number: (304) 926-0495
Fax Number: (304) 926-0496

Joe Manchin III, Governor
Stephanie R. Timmermeyer, Cabinet Secretary
www.wvdep.org

April 5, 2005

Mr. Edward R. Hubbs
Weston Sanitary Board
2 Magnolia Place
Weston, WV 26452

RE: WV/NPDES Permit No. WV0028088
Lewis County

Dear Sir or Madam:

This letter shall serve as an extension of WV/NPDES Water Pollution Control Permit No. WV0028088 until the 30th day of June 2005. By that time, the review of WV/NPDES Permit Application No. WV0028088 should be completed and a new permit issued.

This action is necessary to maintain permit status while the review of WV/NPDES Permit Application No. WV0028088 is being completed.

Please be advised that the terms and conditions of the existing permit shall remain applicable and in effect throughout the permit extension period.

Very truly yours,

Lisa A. McClung
Director

LM:mrb

cc: Env. Insp. Supervisor
Env. Inspector

WRD 1A-82
Revised 11/97

STATE OF WEST VIRGINIA
DIVISION OF ENVIRONMENTAL PROTECTION
OFFICE OF WATER RESOURCES
1201 GREENBRIER STREET
CHARLESTON, WV 25311

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
WATER POLLUTION CONTROL PERMIT

Permit No.: WV0028088
Subject: Sewage Facilities

Issue Date: November 16, 2000
Effective Date: December 16, 2000
Expiration Date: November 15, 2004
Supersedes: WV/NPDES Permit No. WV0028088 Issuance Date: April 2, 1996

Location:	Weston	Lewis	Monongahela
	(City)	**(County)**	**(Drainage Basin)**

Outlets:	Outlet No. 001	Outlet No. 007
Latitude:	39° 03' 23" N	39° 04' 15" N
Longitude:	80° 28' 06" W	80° 27' 41" W

To whom it may concern:

This is to certify that City of Weston
Sanitary Board
102 West Second Street
Weston, WV 26452

is hereby granted a NPDES Water Pollution Control Permit to: operate and maintain an existing wastewater collection system, and an existing 1.6 million gallons per day trickling filter wastewater treatment plant, which are further described as follows.

A wastewater collection system comprised of approximately 18,300 linear feet of four(4) inch diameter gravity sewer line, 27,500 linear feet of six(6) inch diameter gravity sewer line, 55,100 linear feet of eight(8) inch diameter gravity sewer line, 5,100 linear feet of 10 inch diameter gravity sewer line, 34,600 linear feet of 12 inch diameter gravity sewer line, 1,800 linear feet of 15 inch diameter gravity sewer line, 150 linear feet of 18 inch diameter gravity sewer line, 5,200 linear feet of 24 inch diameter gravity sewer line, 507 manholes, necessary cleanouts, 12 lift stations, three(3) simplex grinder pump stations, 700 linear feet of one and one fourth(1¼) inch diameter force main, 2,400 linear feet of four(4) inch diameter force main, 4,000 linear feet of six(6) inch diameter force main, 4,100 linear feet of eight(8) inch diameter force main, 800 linear feet of 12 inch diameter force main, 250 linear feet of 14 inch diameter force main, and all requisite appurtenances.

(Continued on page 2 of 34)

A wastewater treatment plant comprised of grit removal facilities, a comminutor, a bar screen, two(2) primary clarifiers with a volume of 57,400 gallons each and a surface area of 960 square feet each, a 60 feet in diameter trickling filter unit with a media depth of 14.5 feet, two(2) secondary clarifiers with a volume of 92,100 gallons each and a surface area of 1,368 square feet each, a chlorine contact chamber with a volume of 78,500 gallons, dechlorination facilities, an anaerobic digester with a volume of 381,900 gallons, eight(8) sludge drying beds with a surface area of 976 square feet each, and all requisite appurtenances.

These facilities are to serve a population equivalent of approximately 16,000 persons in the City of Weston, the communities of Homewood and Bendale, and environs, and discharge treated wastewater to the West Fork River, approximately 65.4 miles from its mouth, of the Monongahela River.

To acquire, construct, install, operate and maintain a wastewater collection system to be comprised of approximately 6,200 linear feet of four(4) inch diameter gravity sewer service line, 14,100 linear feet of six(6) inch diameter gravity sewer line, 32,500 linear feet of eight(8) inch diameter gravity sewer line, 202 manholes, 88 cleanouts, 10 lift stations, a septage receiving station at Lift Station No.1 - Jordanville, four(4) simplex grinder pump stations, 1,000 linear feet of one and one half(1½) inch diameter force main, 4,800 linear feet of two(2) inch diameter force main, 60 linear feet of four(4) inch diameter force main, 18,600 linear feet of six(6) inch diameter force main, 6,000 linear feet of 14 inch diameter force main, 14 air and vacuum relief valves, 10 force main cleanouts, rehabilitate three(3) existing lift stations, eliminate two(2) existing lift stations, and all requisite appurtenances.

These wastewater collection system facilities are to serve a population equivalent of approximately 2,000 persons in the communities of Deanville and Jordanville, an area east on Route 33, and environs, and convey wastewater to the permittee's new wastewater treatment plant for subsequent treatment and discharge to the West Fork River, approximately 67.2 miles from its mouth, of the Monongahela River.

To acquire, construct, install, operate and maintain, a 2.5 million gallons per day aerated lagoon wastewater treatment plant comprised of an influent flow meter, a mechanical bar screen, a manual bar screen, grit removal facilities, two(2) aerated lagoons with a volume of 2,200,000 gallons each and three(3) integral clarifiers each with a rise rate of 327 square feet each, ultraviolet disinfection facilities, an effluent flow meter, cascade post aeration facilities, post lime sludge stabilization facilities, demolition of the existing wastewater treatment plant, and all requisite appurtenances.

These facilities are to serve a population equivalent of approximately 35,700 persons in the City of Weston, the communities of Homewood, Bendale, Deanville, and Jordanville, an area east on Route 33, and environs, and discharge treated wastewater to the West Fork River, approximately 67.2 miles from its mouth, of the Monongah River.

(Continued on Page 3 of 34)

This permit is subject to the following terms and conditions:

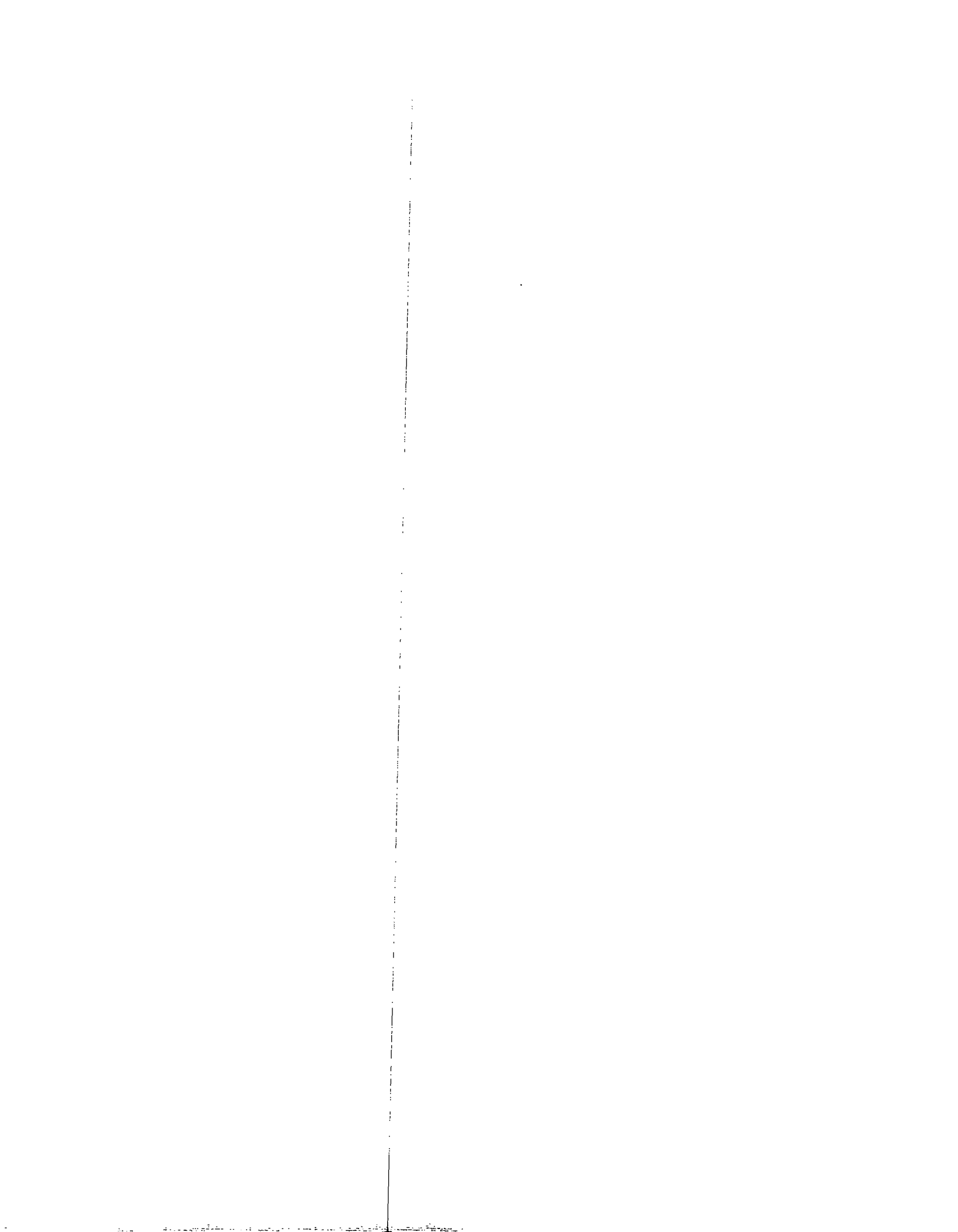
The information submitted on, and with, Permit Application No. WV0028088, dated the 11th day of August 2000, additional information, dated the 12th day of September 2000, additional information, dated the 13th day of September 2000, additional information, dated the 26th day of September 2000, and additional information, received the 3rd day of October 2000, are all, hereby, made terms and conditions of this Permit with like effect as if all such permit application information were set forth herein, and with other conditions set forth in Sections A, B, C, and D, and Appendix A.

The validity of this Permit is contingent upon the payment of the applicable annual permit fee, as required by Chapter 22, Article 11, Section 10 of the West Virginia Code.

THE WASTEWATER TREATMENT PLANT AND WASTEWATER COLLECTION SYSTEM FACILITIES PROJECT SHALL BE CONSTRUCTED IN ACCORDANCE WITH:

Plans, Specifications, and Reports:

Date Approved: August 3, 2000
Prepared by: Thrasher Engineering, Inc.
30 Columbia Boulevard
Clarksburg, WV 26301
Title: City of Weston
Lewis County, West Virginia
Contract No. 1 – Sanitary Sewer Collection Extensions and Improvements East on Route 33
Contract No. 2 – Sanitary Sewer Collection Extension and Improvements Deanville and Jordanville
Contract No. 3 – 2.5 Million GPD Wastewater Treatment Plant
SRF Project No. C-544241



CERTIFICATE OF PROPERTY INSURANCE

INSURED: WESTON SANITARY BOARD
2 MAGNOLIA PLAZA
WESTON, WV 26452

CERTIFICATE NO: P 900000903 - Dec 13, 2004

This certifies that the Additional Insured named above is insured for first party Property Coverages procured and/or administered by the West Virginia Board of Risk and Insurance Management (BRIM). The coverages are provided through a combination of custom designed and conventional commercial insurance products.

THE INSURANCE EVIDENCED BY THIS CERTIFICATE IS SUBJECT TO ALL OF THE TERMS, CONDITIONS, EXCLUSIONS AND DEFINITIONS CONTAINED IN THE POLICIES.

COVERAGE PERIOD: Dec 13, 2004 to Jul 1, 2005 12:01 a.m. Eastern Time

LIMIT OF LIABILITY: Stated values, for real and personal property, which have been declared to and accepted by BRIM, not to exceed the maximum coverage procured by BRIM.

Individual Faithful Performance Bonds are limited to the amount of coverage that is required by statute.

SPECIAL LIMITS: Each policy shall be governed by the special limits of liability contained therein.

DEDUCTIBLE: The State of West Virginia has a $1,000,000.00 deductible on coverages it procures. The above listed insured has a $2,500 deductible that is applicable to each loss.

CLAIM REPORTING: Claims should be reported to:
Claim Manager
West Virginia Board of Risk & Insurance Management
90 MacCorkle Avenue S.W.Suite 203
South Charleston, West Virginia 25303

BY: Bob Mills DATED: May 26, 2005
AUTHORIZED REPRESENTATIVE

AGENT OF RECORD: COMMERCIAL INSURANCE SERVICES

340 MACCORKLE AVENUE, SUITE 200 SE
CHARLESTON, WV 25314

CERTIFICATE OF LIABILITY INSURANCE

ADDITIONAL INSURED: WESTON SANITARY BOARD
2 MAGNOLIA PLAZA
WESTON, WV 26452

CERTIFICATE NO: L 900000903 - Dec 13, 2004

This certifies that the insured named above is an Additional Insured for the Coverage indicated below under General Liability Policy GL 4806295 and Automobile Policy CA 5189013 issued to the State of West Virginia by NATIONAL UNION FIRE INSURANCE CO. OF PITTSBURGH, PA.

COVERAGE PERIOD: Dec 13, 2004 to Jul 1, 2005 12:01 a.m. Eastern Time

COVERAGE AFFORDED: Comprehensive General Liability Insurance
Personal Injury Liability Insurance
Professional Liability Insurance
Stop Gap Liability Insurance
Wrongful Act Liability Coverage
Comprehensive Auto Liability Coverage
Auto Physical Damage Insurance
Garagekeepers Insurance

LIMIT OF LIABILITY: $1,000,000 each occurence*
*For all coverages combined. This limit is not increased if a claim is insured under more than one coverage or if claim is made against more than one insured.

SPECIAL LIMITS: The auto physical damage limit is the actual cash value of each vehicle subject to a deductible of $1,000.

CLAIM REPORTING: Claims should be reported to:
Claim Manager
West Virginia Board of Risk & Insurance Management
90 MacCorkle Avenue S.W.Suite 203
South Charleston, West Virginia 25303

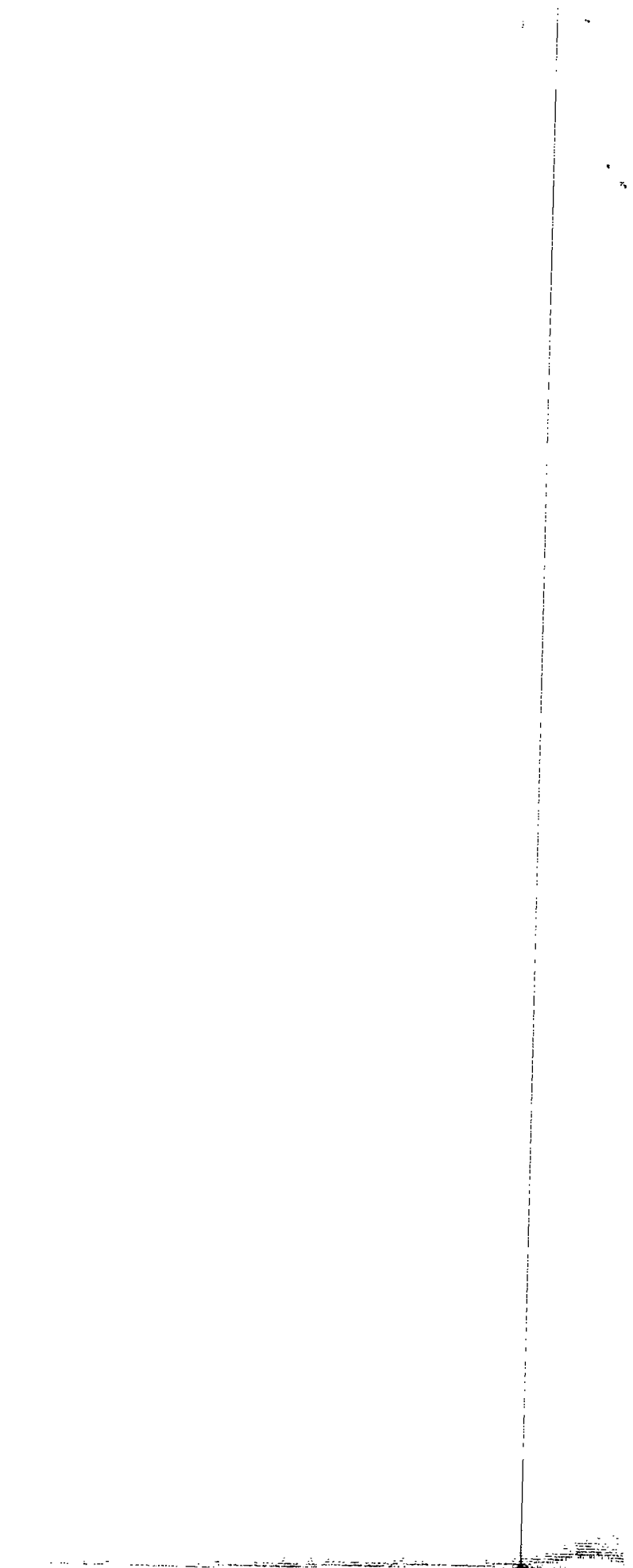
Claims Made Prior Acts Date: 12/13/2004

THE INSURANCE EVIDENCED BY THIS CERTIFICATE IS SUBJECT TO ALL OF THE TERMS, CONDITIONS, EXCLUSIONS AND DEFINITIONS IN THE POLICIES. IT IS A CONDITION PRECEDENT OF COVERAGE UNDER THE POLICIES THAT THE ADDITIONAL INSURED DOES NOT WAIVE ANY STATUTORY OR COMMON LAW IMMUNITY CONFERRED UPON IT.

BY: _____ DATED: May 26, 2005
AUTHORIZED REPRESENTATIVE

AGENT OF RECORD: COMMERCIAL INSURANCE SERVICES

340 MACCORKLE AVENUE, SUITE 200 SE
CHARLESTON, WV 25314



CLOSING MEMORANDUM

3.17

To: **Tracey Weber, III**
Dee Evans
Katy Mallory
Barbara Meadows
Samme Gee

From: **Francesca Tan**

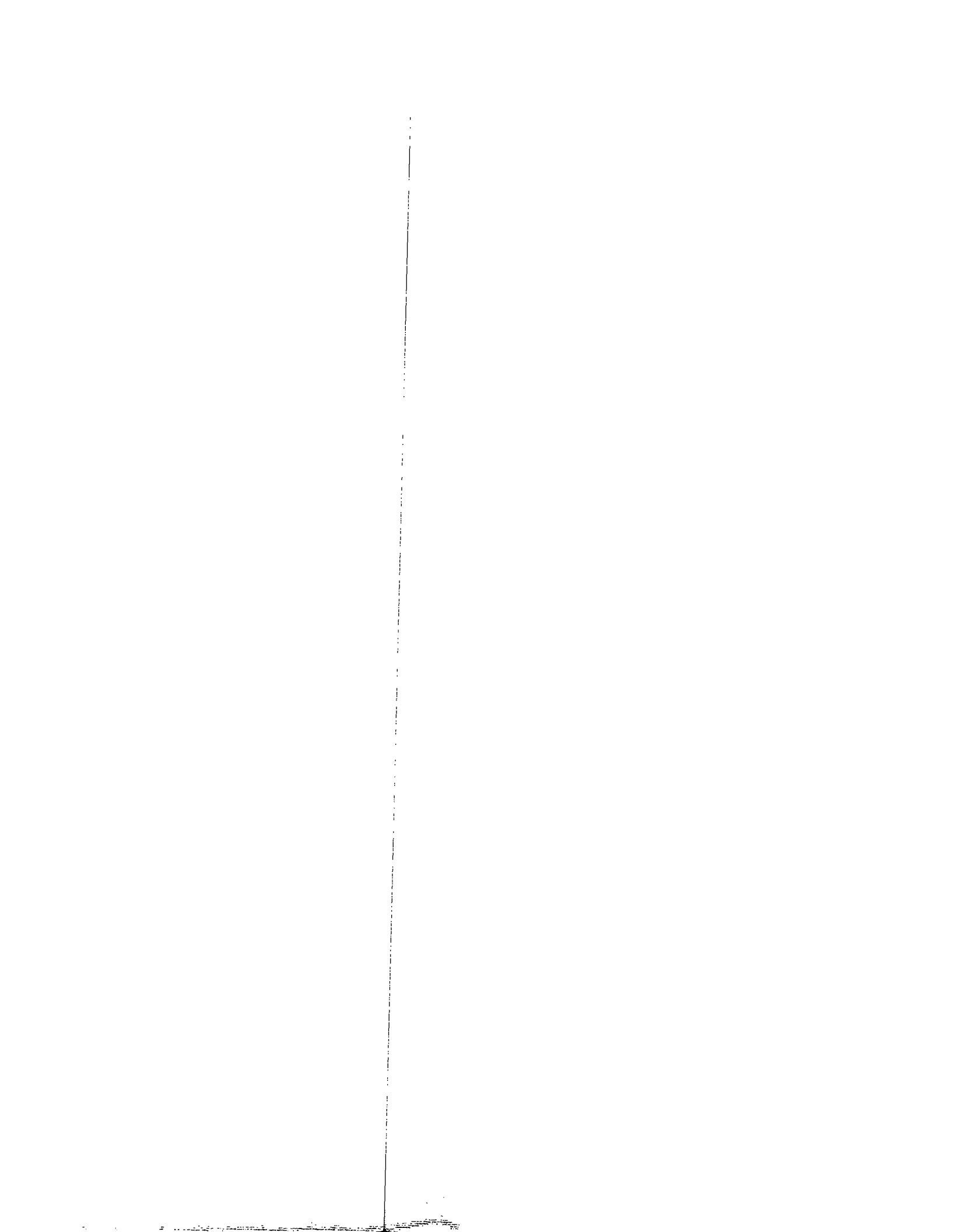
Date: **June 24, 2005**

Re: **City of Weston Sewer Revenue Bonds,**
Series 2005 A (West Virginia Infrastructure Fund)

---

1. DISBURSEMENTS TO CITY

Payor:	West Virginia Infrastructure and Jobs Development Council
Source:	Series 2005 A Bonds Proceeds
Amount:	$117,160
Date:	June 24, 2005
Form:	Wire Transfer
Payee:	City of Weston
Bank:	United Bank, Inc., Weston, West Virginia
Routing No.:	051900395
Account No.:	0069333359
Account:	Series 2005 A Bonds Construction Trust Fund



JACKSONKELLY
ATTORNEYS AT LAW PLLC

1600 LAIDLEY TOWER • P.O. BOX 553 • CHARLESTON, WEST VIRGINIA 25322 • TELEPHONE: 304-340-1000 • TELECOPIER: 304-340-1130
www.jacksonkelly.com

June 24, 2005

City of Weston
Weston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Re: City of Weston Sewer Revenue Bonds,
Series 2005 A (West Virginia Infrastructure Fund)

Ladies and Gentlemen:

We have served as bond counsel to the City of Weston ("the Issuer"), a municipal corporation, in connection with the issuance of its Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds").

We have examined certified copies of proceedings and other papers relating to the authorization of (i) a loan agreement for the Bonds, dated June 24, 2005, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council"), and (ii) the Bonds to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are issued in the principal amount of $597,037, in the form of one bond, registered to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing December 1, 2006, as set forth in the Schedule Y attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are 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 31, Article 15A of the Code of West Virginia, 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"); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act and a Bond Ordinance duly passed by the Issuer on March 7, 2005, effective April 4, 2005, as supplemented by a Supplemental Resolution duly adopted by the Issuer on June 6, 2005 (collectively, the "Ordinance"), pursuant to and under which Act and Ordinance the Bonds are authorized and issued, and the Loan Agreement is entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Ordinance and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Ordinance and in the Loan Agreement when used herein.

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 presently existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to enact the Ordinance and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer and is a valid and binding special obligation of the Issuer, enforceable in accordance with the terms thereof.

3. The Loan Agreement inures to the benefit of the Authority and the Infrastructure Council and cannot be amended so as to affect adversely the rights of the Authority or the Infrastructure Council or diminish the obligations of the Issuer without the written consent of the Authority and the Infrastructure Council.

4. The Issuer has legally and effectively enacted the Ordinance and adopted all other necessary resolutions in connection with the issuance and sale of the Bonds. The Ordinance constitutes a valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms thereof and contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Prior Bonds, all in accordance with the terms of the Bonds and the Ordinance.

6. Under the Act, the Bonds and any interest thereon are exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

7. 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, if any, from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Bonds.

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

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

Very truly yours,

Jackson Kelly PLLC

WEBER & WEBER
ATTORNEYS AT LAW
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WESTON, WEST VIRGINIA 26452

4.2

GEORGE I. DAVISSON (1899-1980)
W.T. WEBER, JR.
W.T. WEBER, III

AREA CODE 304
TELEPHONE 269-2228
FACSIMILE 269-7938

June 24, 2005

City of Weston
Weston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Jackson Kelly PLLC
Charleston, West Virginia

Re:City of Weston Sewer Revenue Bonds,
Series 2005 A (West Virginia Infrastructure Fund)

Ladies and Gentlemen:

We are counsel to the City of Weston in Lewis County, West Virginia (the "Issuer"). As such counsel, we have examined copies of the approving opinion of Jackson Kelly PLLC, as bond counsel, relating to the above-captioned bonds of the Issuer (the "Bonds"), a loan agreement for the Bonds, dated June 24, 2005, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council"), a Bond Ordinance duly passed by the Issuer on March 7, 2005, effective April 4, 2005, as supplemented by a Supplemental Resolution duly adopted by the Issuer on June 6, 2005 (collectively, the "Ordinance"), a Petition of the Sanitary Board of the Issuer (the "Sanitary Board") duly adopted on January 10, 2005, and other documents relating to the Bonds and the Issuer. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Loan Agreement and the Ordinance when used herein.

We are of the opinion that:

1. The Issuer is a duly created and presently existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System and to enact the Ordinance, all under the Act and other applicable provisions of law. The Sanitary Board has been duly created by the Issuer and is presently existing as a sanitary board under the Act.

2. The Mayor, City Clerk and members of the Council and the Sanitary Board of the Issuer have been duly, lawfully and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.

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

4. The Ordinance has been duly adopted and enacted by the Issuer and is in full force and effect.

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

6. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges, including, without

limitation, all requisite permits, orders, consents, certificates and approvals from the West Virginia Department of Environmental Protection, the West Virginia Bureau for Public Health, the Infrastructure Council and the Public Service Commission of West Virginia (the "PSC"). The Issuer has taken all actions required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges. The Issuer has received the PSC Orders entered on January 11, 2005, and June 21, 2005, in Case No. 04-0982-S-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the January 11, 2005 Order has expired prior to the date hereof without any appeal having been filed. The time for appeal of the June 21, 2005 Order has not expired on the date hereof. However, the parties to such Order have stated that they will not appeal such Order. Both Orders remain in full force and effect.

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

8. All successful bidders have made the required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy. Based upon our review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, we are of the opinion that such surety bonds and policies (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interest of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Ordinance and the Loan Agreement; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Very truly yours,

Weber & Weber

06/21/05
100530/00308

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4.3

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June 24, 2005

City of Weston
Weston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Jackson Kelly PLLC
Charleston, West Virginia

Re:Final Title Opinion for City of Weston

Ladies and Gentlemen:

We are counsel to the City of Weston (the "Issuer") in connection with a proposed project to construct certain additions, betterments and improvements to the existing public sewerage system of the Issuer (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 for the Project. Please be advised of the following:

1. The Issuer is a duly created and presently 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 and the West Virginia Bureau for Public Health.

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 E. L. Robinson Engineering Co., 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 Lewis 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, sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the Project.

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

Very truly yours,

Weber & Weber

05/17/05
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