

\$336,500  
THE CITY OF WILLIAMSTOWN  
SEWER REVENUE BONDS, 2015 SERIES A  
(WEST VIRGINIA SRF PROGRAM)

Closing Date: September 30, 2015

TRANSCRIPT OF PROCEEDINGS

BASIC DOCUMENTS

1. Bond Ordinance
2. Supplemental Resolution
3. Loan Agreement
4. West Virginia Infrastructure and Jobs Development Council Approval
5. West Virginia Department of Environmental Protection Binding Commitment Letters
6. Cross-Receipt for Bonds and Bond Proceeds
7. Request and Authorization to Authenticate and Deliver Bonds
8. Specimen Bond

OPINIONS OF COUNSEL

9. Approving Opinion of Spilman Thomas & Battle, PLLC, Bond Counsel
10. Opinion of C. Blaine Myers, Esq., Counsel to Issuer
11. Title Opinion of C. Blaine Myers, Esquire

CERTIFICATES

12. General Certificate of Issuer and Attorney
13. Certificate of Engineer, with Schedule B attached
14. Certificate of Certified Public Accountant
15. [Reserved]

16. Certificate as to Use of Proceeds
17. Post Issuance Compliance Policy

#### DOCUMENTS OF THE ISSUER

18. Certified copy of Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended
19. Certified copy of Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended
20. Charter and Rules of Procedure, with Amendments
21. Oaths of Office of Mayor and Councilmembers
22. (A) Ordinance creating the Sanitary Board, with Amendments  
(B) Oaths of Members of Sanitary Board
23. Petition of Sanitary Board
24. Sewer Rate Ordinance
25. Affidavit of Publication of Sewer Rate Ordinance and Notice of Public Hearing
26. Minutes on adoption and enactment of Sewer Rate Ordinance
27. Affidavit of Publication of Notice of Public Hearing and Abstract of Bond Ordinance
28. Minutes on adoption and enactment of Bond Ordinance, Supplemental Resolution, Draw Resolution, Sweep Resolution and Post-Issuance Compliance Policy
29. Public Service Commission Order

#### MISCELLANEOUS DOCUMENTS

30. Certificate of Registration of Bonds
31. Registrar's Agreement
32. Acceptance of Appointment as Depository Bank
33. Parity Consent of West Virginia Water Development Authority
34. Municipal Bond Commission New Issue Report
35. Municipal Bond Commission Sweep Resolution

36. Permits:

- (a) CSX Permit
- (b) West Virginia Division of Highways Permit

37. Evidence of Insurance

38. Prior Bond Ordinances:

- (a) Series 1987 A, B and A-1 Bonds
- (b) Series 2005 A Bonds
- (c) Series 2009 A and B Bonds

39. Closing Memorandum

40. First Draw Resolution

State of West Virginia  
**WATER DEVELOPMENT AUTHORITY**  
 1009 Bullitt Street, Charleston, WV 25301  
 (304)414-6500 - (304)414-0865 (Fax)  
 Internet: [www.wvda.org](http://www.wvda.org) - Email: [contact@wvda.org](mailto:contact@wvda.org)

Date 9/29/15 Time 1:05 LGA Williamstown Municipal Sewer Program CW

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
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Karrie Mattox	Spilman	304-340-3879	304-340-3801	Kmattox@spilmanlaw.com

The Authority requests that they following information concerning the individual who will be responsible for sending Debt Service Payments to the Municipal Bond Commission be provided. (If that individual is in attendance, he/she should also sign above.) Please Print:

Name Susan Knapp Telephone (304) 375-7761 E-Mail williamstown@suddenlinkmail.com

REMINDER: As a participant in this program, the Local Governmental Agency (LGA) agrees and is required to submit annually to the WDA a copy of its audited financial statements and a copy of its adopted budget. Also, pursuant to the Loan Agreement and the Non-Arbitrage Certificate (both of which are contained in the bond transcript) you are to provide annually to the WDA a rebate calculation certificate or an exception opinion showing whether a rebate amount is due to the US Government under arbitrage requirements in Section 148(f) of the US Internal Revenue Code 1986 as amended.

THE CITY OF WILLIAMSTOWN

SEWER REVENUE BONDS, 2015 SERIES A  
(WEST VIRGINIA SRF PROGRAM)

BOND ORDINANCE

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THE CITY OF WILLIAMSTOWN

ORDINANCE AUTHORIZING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF WILLIAMSTOWN AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$400,000 IN AGGREGATE PRINCIPAL AMOUNT OF ITS SEWER REVENUE BONDS, 2015 SERIES A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNER 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 ENACTING OTHER PROVISIONS RELATING THERETO.

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

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 of the Code of West Virginia, 1931, as amended (the “Bond Act”) and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (the “SRF Act”, and together with the Bond Act, 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 Williamstown (the “Issuer”) is a municipal corporation and political subdivision of the State of West Virginia in Wood 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 extensions, additions, betterments and improvements to the existing public sewerage system of the Issuer, consisting of replacing a deteriorated 12-inch sanitary sewer line crossing WV Route 14 to intercept three additional CSX railroad crossings by boring a new pipe crossing

parallel to the existing crossing including 180 linear feet of 12-inch gravity sewer line, 1,000 linear feet of 8-inch gravity sewer line, 200 linear feet of 2-inch waterline, 4 manholes and necessary appurtenances to improve sanitary sewer service to existing customers (collectively, the "Project") (the existing public sewerage system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

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

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, 2015 Series A (West Virginia SRF Program), in the aggregate principal amount of not more than \$400,000 (the "Series 2015 A Bonds"), initially to be represented by one bond, to permanently finance the costs of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the SRF Program; interest upon the Series 2015 A Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of the Project; amounts which may be deposited in the Series 2015 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, including the SRF Administrative Fee (as hereinafter defined); initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2015 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the costs 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 2015 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 the completion of the Project is not less than 40 years.

F. It is in the best interests of the Issuer that its Series 2015 A Bonds be sold to the Authority pursuant to the terms and provisions of a Loan Agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), in form satisfactory to the Issuer, the Authority and the DEP (the "Loan Agreement"), approved hereby if not previously approved by Ordinance of the Issuer.

G. There are outstanding obligations of the Issuer which will rank either on a parity with or junior and subordinate to the Series 2015 A Bonds as to liens, pledge, source of and security for payment, which obligations are designated as follows:

a. The City of Williamstown Sewerage System Revenue Bonds, Series 1987 A, dated June 25, 1987, and issued in the original aggregate principal amount of \$15,551 (the “Series 1987 A Bond”);

b. The City of Williamstown Sewerage System Revenue Bonds, Series 1987 B, dated June 25, 1987, and issued in the original aggregate principal amount of \$169,539 (the “Series 1987 B Bond”);

c. The City of Williamstown Sewerage System Revenue Bonds, Series 1987 A-1, dated June 25, 1987, and issued in the original aggregate principal amount of \$659,637 (the “Series 1987 A-1 Bond”);

d. The City of Williamstown Sewer Revenue Bond, Series 2005 A, dated June 2, 2005, and issued in the original aggregate principal amount of \$230,282 (the “Series 2005 A Bond”); and

e. City of Williamstown Sewer Revenue Bonds, Series 2009, dated December 9, 2009, and issued in the original aggregate principal amount of \$800,000 (the “Series 2009 Bonds”).

The Series 1987 A Bond, the Series 1987 A-1 Bond, the Series 2005 A Bond and the Series 2009 Bonds are hereinafter collectively called the “Parity Bonds.” The Series 1987 B Bond is hereinafter called the “Subordinate Prior Bond.” The Parity Bonds and the Subordinate Prior Bond are sometimes hereinafter collectively referred to as the “Prior Bonds.”

The Series 2015 A Bonds shall be issued on parity with the Parity Bonds and senior and prior to the Subordinate Prior Bond with respect to liens, pledge, source of and security for payment and in all other respects. The Issuer has met the coverage and parity requirements of the Parity Bonds and the Subordinate Prior Bond and the Ordinances authorizing the Parity Bonds and the Subordinate Prior Bond for issuance of the Series 2015 A Bonds and has substantially complied with all other parity requirements, except to the extent that noncompliance with any such other parity requirements is not of a material nature.

H. The Series 2015 A Bonds shall be issued on a parity with the Parity Bonds with respect to liens, pledge and source of and security for the payment and in all respects. Prior to the issuance of the Series 2015 A Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Parity Bonds and the Subordinate Prior Bond are met and (ii) the written consent of the Holders of the Parity Bonds to the issuance of the Series 2015 A Bonds on a parity with the Parity Bonds and senior and prior to the Subordinate Prior Bond. Other than the Parity Bonds and the Subordinate Prior Bond, there are no other outstanding bonds or obligations of the Issuer that are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Ordinances.

I. The estimated revenues to be derived in each year following 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, if any, on the Prior Bonds and the Series 2015 A Bonds, and to make payments into all funds and accounts and other payments provided for herein.

J. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and equipping of the Project, the operation of the System and the issuance of the Series 2015 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 West Virginia Infrastructure and Jobs Development Council and the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein 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 2015 A Bonds or such final order will not be subject to appeal or rehearing.

K. Pursuant to the Act, the Issuer has established a Sanitary Board, and the Sanitary Board has petitioned the Governing Body to issue the Series 2015 A Bonds for the purposes described in this Ordinance.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2015 A Bonds by the Registered Owner 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 Owner, 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 Owner or Owners of such Series 2015 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 22C, Article 2 of the Code of West Virginia, 1931, as amended and in effect on the date of enactment hereof.

“Authority” means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2015 A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the DEP under the Act.

“Authorized Officer” means the Mayor of the Governing Body of the Issuer or any temporary Mayor duly selected by the Governing Body, or any other officer of the Governing Body specifically designated by resolution of the Governing Body.

“Bondholders,” “Holder of the Bonds,” “Holder,” “Registered Owners,” or any similar term whenever used herein with respect to an outstanding Bond, 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 2015 A Bonds and 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 2015 A Bonds for all or a portion of the proceeds of the Series 2015 A Bonds from the Authority and the DEP.

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

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

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

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

“Costs” or “Costs of the Project” means those costs described in Section 1.02D hereof to be a part of the cost of designing, acquiring, constructing and equipping the Project.

“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 Council.

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

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

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

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

“Governing Body” or “City Council” means the City 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 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 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:

- (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 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 Williamstown, a municipal corporation and political subdivision of the State of West Virginia in Wood County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

“Loan Agreement” means the Loan Agreement heretofore entered, or to be entered, into by and among the Authority, the DEP and the Issuer, providing for the purchase of the Series 2015 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 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 the Paying Agent (all as herein defined), insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, 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 cancelled 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 such other entity as may be designated as a Paying Agent by the Issuer for the Series 2015 A Bonds in the Supplemental Resolution with the written consent of the Authority and the DEP.

“Prior Bonds” means, collectively, the Parity Bonds and the Subordinate Prior Bond.

“Prior Ordinances” means, individually or collectively, the Ordinances of the Issuer enacted June 8, 1987 authorizing the Series 1987 A, Series 1987 B and Series 1987 A-1 Bonds, the Ordinance of the Issuer enacted May 31, 2005 authorizing the Series 2005 A Bond, and the Ordinance of the Issuer enacted November 3, 2009 authorizing the Series 2009 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 or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

(g) Repurchase agreements or similar banking arrangements, fully secured by investments of the types described in paragraphs (a) through (e) above or fully insured by the FDIC, with member banks of the Federal Reserve system or banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

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

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

“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 established by the Prior Ordinances and continued hereby.

“Reserve Accounts” means, collectively, the respective reserve accounts established for the Series 2015 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 established by the Prior Ordinances and continued hereby.

“Sanitary Board” means the Sanitary Board of the Issuer.

“Series 2015 A Bonds” means the Sewer Revenue Bonds, 2015 Series A, of the Issuer, authorized by this Ordinance.

“Series 2015 A Bonds Construction Trust Fund” means the Series 2015 A Bonds Construction Trust Fund established by Section 5.01 hereof.

“Series 2015 A Bonds Reserve Account” means the Series 2015 A Bonds Reserve Account established by Section 5.02 hereof.

“Series 2015 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 2015 A Bonds in the then current or any succeeding year.

“Series 2015 A Bonds Sinking Fund” means the Series 2015 A Bonds Sinking Fund established by Section 5.02 hereof.

“Sinking Funds” means, collectively, the respective sinking funds established for the Series 2015 A Bonds and the Prior Bonds.

“SRF Administrative Fee” means any administrative fee required to be paid under the Loan Agreement.

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

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

“State” means the State of West Virginia.

“Supplemental Resolution” means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article “the,” refers specifically to the Supplemental Resolution or Ordinances authorizing the sale of the Series 2015 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2015 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 or the Prior Ordinances to be set aside and held for the payment of or security for the Series 2015 Bond and 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 the complete properties of the Issuer for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, as presently existing in its entirety or any integral part thereof, and shall include the Project and any further additions, betterments, improvements and extensions thereto hereafter acquired or constructed for said System from any sources whatsoever.

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

Additional terms and phrases are defined in this Ordinance as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Mayor or the City Clerk shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Mayor or Acting City Clerk.

## 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, construction and equipping of the Project, at an estimated cost of not to exceed \$400,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, approved by the DEP and the Issuer and heretofore filed in the office of the Governing Body. The proceeds of the Series 2015 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids or will receive bids and will enter into contracts for the acquisition, construction and equipping of the Project, compatible with the financing plan submitted to the SRF Program.

The cost of acquisition, construction and equipping of the Project is estimated not to exceed \$400,000, all of which will be obtained from the proceeds of the Series 2015 A Bonds.

## ARTICLE III

### AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2015 A Bonds, if any, funding a reserve account for the Series 2015 A Bonds, paying costs of acquiring and constructing the Project and paying certain costs of issuance of the Series 2015 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 2015 A Bonds of the Issuer. The Series 2015 A Bonds shall be issued in one series designated as "Sewer Revenue Bonds, 2015 Series A (West Virginia SRF Program)," in the aggregate principal amount of not more than \$400,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2015 A Bonds remaining after funding the Series 2015 A Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2015 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 2015 A Bonds shall be issued in such principal amount, shall bear interest at the rate of two percent (2%) per annum, 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 2015 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or

currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2015 A Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2015 A Bonds shall initially be issued in one series, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2015 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2015 A Bonds shall be exchangeable at the option and expense of the Registered Owners for other fully registered Bond or Bonds of the same series in an aggregate principal amount equal to the amount of said Series 2015 A Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Series 2015 A 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 as specified in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2015 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 2015 A Bonds shall cease to be such officer of the Issuer before the Series 2015 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 2015 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 2015 A Bonds 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 Bonds, 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 Bonds 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 2015 A Bonds 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 2015 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2015 A Bonds shall be conclusively deemed to have agreed

that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2015 A Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the same.

The registered Series 2015 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 the Series 2015 A Bonds or transferring the registered Series 2015 A Bonds is exercised, the Series 2015 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. The Series 2015 A Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of the Series 2015 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of the Series 2015 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date, if any, on the Series 2015 A Bonds or, in the case of any proposed redemption of the Series 2015 A Bonds, next preceding the date of the selection of the portion of the Series 2015 A Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Series 2015 A Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2015 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Series 2015 A Bond of the same series and of like tenor as the Series 2015 A Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Series 2015 A Bond, upon surrender and cancellation of such mutilated Series 2015 A Bond, or in lieu of and substitution for the Series 2015 A 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. The Series 2015 A Bond so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Series 2015 A Bond shall have matured or be about to mature, instead of issuing a substitute Series 2015 A Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Series 2015 A Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Series 2015 A Bonds not to be Indebtedness of the Issuer. The Series 2015 A 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. No holder or holders of the Series 2015 A

Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2015 A Bonds or the interest, if any, thereon.

Section 3.08. Series 2015 A Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Parity Bonds. The payment of the debt service of the Series 2015 A Bonds shall be secured by a first lien on the Net Revenues derived from the System, on parity with the lien on such Net Revenues in favor of the holders of the Parity Bonds and senior and prior to the Subordinate Prior Bond. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Parity Bonds, the Series 2015 A Bonds and the Subordinate Prior Bond 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 2015 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2015 A Bonds to the original purchasers upon receipt of the documents set forth below:

- A. If other than the Authority, a list of the names in which the Series 2015 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;
- B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2015 A Bonds to the original purchasers;
- C. An executed and certified copy of the Bond Legislation;
- D. An executed copy of the Loan Agreement; and
- E. The unqualified approving opinion of bond counsel on the Series 2015 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2015 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:

[Remainder of Page Intentionally Blank]

(FORM OF SERIES 2015 A BOND)

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
THE CITY OF WILLIAMSTOWN  
SEWER REVENUE BONDS, 2015 SERIES A  
(WEST VIRGINIA SRF PROGRAM)

No. AR-1

\$ \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS: That on this the \_\_\_\_ day of \_\_\_\_\_, 2015, THE CITY OF WILLIAMSTOWN, a municipal and public corporation and political subdivision of the State of West Virginia in Wood 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, 201\_, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee of 1% (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, 201\_, as set forth on EXHIBIT B attached hereto.

This Bond shall bear interest at the rate of two percent (2%) per annum beginning \_\_\_\_\_ 1, 201\_. Principal and interest installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the DEP, dated \_\_\_\_\_, 2015.

This Bond is issued (i) to pay the costs of acquisition, construction and equipping of certain additions, extensions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"), and (ii) to pay certain costs of issuance of the Series 2015 A Bonds hereof and related costs. The existing public sewerage system of the Issuer, the extensions, additions, betterments and improvements constructed by the Project and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on \_\_\_\_\_, 2015, and a Supplemental Resolution duly adopted by the Issuer on \_\_\_\_\_, 2015 (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 WITH THE ISSUER'S (1) \$15,551 SEWERAGE SYSTEM REVENUE BOND, SERIES 1987 A, (2), \$659,637 SEWERAGE SYSTEM REVENUE BOND, SERIES 1987 A-1, (3) \$230,282 SEWER REVENUE BOND, SERIES 2005 A, AND (4) \$800,000 SEWER REVENUE BONDS, SERIES 2009 (COLLECTIVELY, THE “PARITY BONDS”), AND SENIOR AND PRIOR TO THE ISSUER'S \$169,539 SEWERAGE SYSTEM REVENUE BOND, SERIES 1987 B (THE “SUBORDINATE PRIOR BOND”).

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holder of the Parity Bonds, and senior and prior to the Subordinate Prior Bond, from moneys in the reserve account created under the Bond Legislation for the Series 2015 A Bonds (the “Series 2015 A Bonds Reserve Account”) and unexpended proceeds of the Series 2015 A Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and 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 an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2015 A Bonds Reserve Account and unexpended proceeds of the Series 2015 A 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 Series 2015 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior or subordinate to the Series 2015 A Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2015 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 Series 2015 A Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations Outstanding on a parity with or junior and subordinate to the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Series 2015 A Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owner of the Series 2015 A 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 and interest on this Bond.

All provisions of the Bond Legislation, Ordinances 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 WILLIAMSTOWN 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 \_\_\_\_\_, 2015.

[SEAL]

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is the Series 2015 A Bond 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: \_\_\_\_\_, 2015.

UNITED BANK, INC.

By: \_\_\_\_\_  
Its: Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$ _____		(6) \$ _____	
(2) \$ _____		(7) \$ _____	
(3) \$ _____		(8) \$ _____	
(4) \$ _____		(9) \$ _____	
(5) \$ _____		(10) \$ _____	

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, is hereby approved. The Series 2015 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, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form approved by Supplemental Resolution, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

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

ARTICLE IV

[RESERVED]

## ARTICLE V

### FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Ordinances) 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 (established by the Prior Ordinances);
- (2) Renewal and Replacement Fund (established by the Prior Ordinances as the Sewerage System Depreciation Fund); and
- (3) Series 2015 A Bonds Construction Trust Fund.

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

- (1) Series 2015 A Bonds Sinking Fund; and
- (2) Series 2015 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinances 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 Ordinances and this Bond Legislation. 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 first each month pay from the Revenue Fund the amount necessary and sufficient to pay current Operating Expenses.
- (2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Paying Agent: (i) the amounts required by the Prior Ordinances to pay interest on the Parity Bonds; and (ii) commencing four (4) months prior to the first date of payment of interest on the Series 2015 A Bonds, for deposit in the Series 2015 A Bonds Sinking Fund, an amount equal to 1/3<sup>rd</sup> of the amount of interest which will become due and payable on the Series 2015 A Bonds provided; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2015 A Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Paying Agent: (i) the amounts required by the Prior Ordinances to pay principal on the Parity Bonds; and (ii) commencing four (4) months prior to the first date of payment of principal on the Series 2015 A Bonds, for deposit in the Series 2015 A Bonds Sinking Fund, an amount equal to  $1/3^{\text{rd}}$  of the amount of principal which mature and will become due and payable on the Series 2015 A Bonds provided; provided that, in the event the period to elapse between the date of such deposit in the Series 2015 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 interest coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Paying Agent or the Paying Agent (i) for deposit in the respective Reserve Accounts for the Parity Bonds, the amounts required by the Prior Ordinances; and (ii) commencing four (4) months prior to the first date of payment of principal of the Series 2015 A Bonds, remit to the Paying Agent for deposit in the Series 2015 A Bonds Sinking Fund, an amount equal to  $1/3^{\text{rd}}$  of the amount of principal which will mature and become due on the Series 2015 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such deposit in the Series 2015 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.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Paying Agent the amounts: (i) to make reserve fund payments on the Parity Bonds required by the Prior Ordinances; and (ii) commencing four (4) months prior to the first date of payment of principal of the Series 2015 A Bonds, if not fully funded upon issuance of the Series 2015 A Bonds, remit to the Paying Agent for deposit in the Series 2015 A Bonds Reserve Account, an amount equal to  $1/120^{\text{th}}$  of the Series 2015 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2015 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 2015 A Bonds Reserve Requirement.

(6) The Issuer shall next, on the first day of each month transfer from the Revenue Fund and remit to the Paying Agent for deposit in the Subordinate Prior Bonds Sinking Fund, the amount required to pay interest on the Subordinate Prior Bond on the next ensuing quarterly interest payment date.

(7) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Paying Agent for deposit in the Subordinate Prior Bonds Sinking Fund, an amount equal to the amount of principal that will

mature and become due on the Subordinate Prior Bond on the next ensuing quarterly principal payment date.

(8) The Issuer shall next, on the first day of each month, from the moneys remaining in the Revenue Fund, transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Ordinances 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, emergency repairs, repairs, improvements or extensions to the System; provided, that any (i) restrictions on the use of monies in the Prior Ordinances are met, if any; and (ii) 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.

(9) After making all of the foregoing deposits and payments, any excess moneys then remaining in the Revenue Fund ("Surplus Revenues") may be used for any lawful purpose of the System.

Moneys in the Series 2015 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2015 A Bonds as the same shall become due. Moneys in the Series 2015 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2015 A Bonds as the same shall come due, when other moneys in the Series 2015 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2015 A Bonds Sinking Fund and the Series 2015 A Bonds Reserve Account shall be returned, not less than once each year, by the Paying Agent to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2015 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due, if any, on the Series 2015 A Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2015 A Bonds Reserve Account which result in a reduction in the balance therein below the Series 2015 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 2015 A Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest, if any, 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 2015 A Bonds Sinking Fund or the Series 2015 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2015 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal, interest or reserve account payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Parity Bonds and the Series 2015 A Bonds, in accordance with the respective principal amounts then Outstanding.

The Paying Agent is hereby designated as the fiscal agent for the administration of the Series 2015 A Bonds Sinking Fund and the Series 2015 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Paying Agent from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Paying Agent shall clearly identify the fund or account into which each amount is to be deposited. The Issuer shall make the necessary arrangements whereby required payments into the Series 2015 A Bonds Sinking Fund and the Series 2015 A Bonds Reserve Account shall be automatically debited from the Revenue Fund and electronically transferred to the Paying Agent on the dates required hereunder.

Moneys in the Series 2015 A Bonds Sinking Fund and the Series 2015 A Bonds Reserve Account shall be invested and reinvested by the Paying Agent in accordance with Section 8.01 hereof.

The Series 2015 A Bonds Sinking Fund, including the Series 2015 A Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2015 A Bonds under the conditions and restrictions set forth herein.

A. The Issuer shall on the first day of each month (if the first day is not a business day, then the next succeeding business day of each month) deposit with the Paying Agent the required principal, interest and reserve account payments with respect to the Series 2015 A Bonds and all such payments shall be remitted to the Paying Agent with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. 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 Paying Agent the SRF Administrative Fee as set forth in the Schedule Y attached to the Loan Agreement.

B. The Issuer shall complete the "Monthly Payment Form," a 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 payment check to the Authority by the 5th day of such calendar month.

C. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinabove provided, are current and there remains in 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 Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

D. The Issuer shall remit from the Revenue Fund to the Registrar, the Paying Agent or the Depository Bank, on such dates as 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 Paying Agent under this paragraph, the Issuer shall, if required by the Authority at any time, make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Paying Agent on the dates required.

E. 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.

F. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; 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. All remittances made by the Issuer to the Paying Agent shall clearly identify the fund or account into which each amount is to be deposited.

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

J. All Tap Fees, as received, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

## ARTICLE VI

### BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 2015 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2015 A Bonds, there shall first be deposited with the Paying Agent in the Series 2015 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 2015 A Bonds, there shall be deposited with the Paying Agent in the Series 2015 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2015 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2015 A Bonds, such moneys shall be deposited with the Depository Bank in the Series 2015 A Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 hereof and until so expended, are hereby pledged as additional security for the Series 2015 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 2015 A Bonds shall be expended as directed by the DEP.

Section 6.02. Disbursements From the Series 2015 A Bond Construction Trust Fund. On or before the Closing Date, the Sanitary Board or the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the Series 2015 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments of all Costs of the Project shall be made monthly. Invoices for which repayment from the Series 2015 A Bonds Construction Trust Fund will be sought must be first approved by the Issuer.

Except as provided in Section 6.01 hereof, disbursements from the Series 2015 A Bonds 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," a form of which is attached to the Loan Agreement as Exhibit C in compliance with the construction schedule; and

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

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

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

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

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

Pending such application, moneys in the Series 2015 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 the Holders of the Series 2015 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2015 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 2015 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 2015 A 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 2015 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2015 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 on the Series 2015 A Bonds issued hereunder shall be secured equally and ratably by a first lien on the Net Revenues derived from the System, on a parity with the lien on such Net Revenues in favor of the Holders of the Parity Bonds and senior and prior to the lien on the Net Revenues in favor of the Holders of the Subordinate Prior Bond. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2015 A Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of 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 and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement and the Issuer shall supply a certificate of certified public accountant to such effect. 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 enacted October 2, 2012 incorporated herein by reference as a part hereof which rates are hereby enacted.

So long as the Series 2015 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 and charges initially established for the System in connection with the Series 2015 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 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 Ordinances and with the written consent of the Authority. Additionally, so long as the Series 2015 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding 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 2015 A Bonds, immediately be remitted to the Paying Agent for deposit in the Series 2015 A Bonds Sinking Fund, pro rata with respect to the principal amount of each of the Parity Bonds then Outstanding, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Paying Agent to apply such proceeds to the payment of principal of and interest, if any, on the Series 2015 A Bonds in accordance with Article X hereof. Any balance remaining after the payment of the Series 2015 A Bonds and interest, if any, thereon shall be remitted to the Issuer by the Paying Agent 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 Revenue 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 enacted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. 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 with the written consent of the Authority, be remitted by the Issuer to the Paying Agent for deposit in the Renewal and Replacement Fund. Such payment of such proceeds into the Revenue Fund and Renewal and Replacement Fund shall not reduce the amounts required to be paid into said 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 in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System that rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2015 A Bonds and the Parity Bonds. All obligations issued by the Issuer after the issuance of the Series 2015 A Bonds that are 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 2015 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 2015 A Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2015 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 DEP prior written notice of its issuance of any other obligations to be used for the System, payable from the revenues of the System or from any grants for the Project, or any other obligations related to the Project or the System.

Section 7.07. Parity Bonds. So long as the Parity Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. Additionally, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2015 A Bonds pursuant to this Bond Legislation, except with the prior written consent of DEP and the Authority under the conditions and in the manner herein provided (unless less restrictive than the provisions of the Prior Ordinances).

All Parity Bonds issued hereunder shall be on parity in all respects with the Series 2015 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the design, acquisition, or construction of extensions, additions, improvements or betterments to the System or refunding all or a portion of any outstanding Bonds, or to pay claims which may exist against the revenues or facilities of the System, or any such purpose.

So long as the Series 2015 A Bonds are outstanding, 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 additional 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 not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

- (1) The Parity Bonds then Outstanding;
- (2) Any additional Parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and
- (3) The additional 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 (a) the improvements to be financed by such Parity Bonds and (b) 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. For purposes of this test, the terms “Gross Revenues” and “Net Revenues” shall not include proceeds from the sale of capital assets.

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 Holder of the Series 2015 A Bonds and the Holder of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. All Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 2015 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 2015 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 and the Prior Ordinances, shall have been made in full as required to the date of delivery of the such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation and the Prior Ordinances.

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquisition of the Project site and the costs of construction, equipping 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 it may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

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

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any 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 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 and on the forms, books and other bookkeeping records as prescribed by the Issuer. The Issuer shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Issuer shall be reported to such agent of the Issuer as the Issuer shall direct.

The Issuer shall file with the Authority and the DEP, or any other original purchasers of the Series 2015 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2015 A Bonds, requesting the same, an annual report containing the following:

- (A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.
- (B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation, and the status of all said funds and accounts.
- (C) The amount of any bonds, notes or other obligations Outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and, to the extent legally required, in compliance with the applicable OMB Circular or any successor thereto, and the Single Audit Act, or any successor thereto) and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to the Holder of the Series 2015 Bond, and shall submit said report to the Authority and the DEP, or any other original purchasers of the Series 2015 A Bonds. Such audit report submitted to the Authority and the DEP 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 DEP and the Authority, 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 DEP and the Authority, 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 DEP and the Authority with respect to the System pursuant to the Act.

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

Section 7.09. Rates. Prior to the issuance of the Series 2015 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, to meet the requirements set forth in the Prior Ordinances so long as the Prior Bonds are outstanding, and (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 2015 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2015 A Bonds, including the Parity Bonds; provided that in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2015 A Bonds Reserve Account and any

reserve accounts for obligations on a parity with the Series 2015 Bond, including the Parity 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 2015 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2015 A Bonds, including the Parity 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.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 30 days following a determination of the Independent Certified Public Accountant that less than the above required coverage exists or in the event that the annual audit report shows less than the above required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

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 enact 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 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 System. The Issuer shall mail copies of such annual budget and all resolutions authorized increased expenditures for operation and maintenance to the Authority and the DEP 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, within 30 days of adoption thereof and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority, the DEP and any Holder of any Bonds or anyone acting for and on behalf of such Holder.

Commencing on the date contracts are executed for the acquisition, construction and equipping of the Project and for two (2) years following the completion of construction of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement and forward a copy of such report to the Authority and the DEP by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer shall obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the DEP and the Authority, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the DEP and the Authority 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 DEP 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 DEP and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

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

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

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

The Issuer shall serve the additional customer, if any, at the locations(s) as set forth by Certificate of Engineer. The Issuer shall not reduce the amount of additional customers, if any, served by the Project without the prior written approval of the Board of the Water Development Authority. Following completion of the Project the Issuer shall certify to the Authority the number of customers added to the System; if any.

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 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full

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

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

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2015 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. In the event of any damage to or destruction of any portion of the System, the proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for 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 Sanitary Board, 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 Sanitary Board, 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 and the Sanitary Board from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKERS' 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 contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(4) FLOOD INSURANCE, if the 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.

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

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

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

The Issuer shall also require all contractors engaged in the construction of the Project to carry such workers' 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 DEP and the Authority. 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 or Sanitary Board 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 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 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 will cause the Project to be constructed 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 and operation of the System, all orders and approvals from the Public Service Commission of West Virginia and the DEP necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Series 2015 A Bonds required by state law, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect.

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 2015 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due, on the Series 2015 A Bonds during the term thereof is, under the terms of the Series 2015 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property, or borrowed money, used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2015 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2015 A Bonds during the term thereof is, under the terms of the Series 2015 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property, or borrowed money, used or to be used for a Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2015 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2015 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of the 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 the lesser of 5% or \$5,000,000 of the Net Proceeds of the Series 2015 A Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to person 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 2015 A Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. If required, the Issuer will timely file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2015 A Bonds and the interest thereon including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 2015 A Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2015 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2015 A Bonds, and shall be on a parity, as to the Series 2015 A Bonds with the statutory mortgage lien in favor of the Holders of the Parity Bonds, and senior to the statutory mortgage lien in favor of the Holders of the Subordinate Prior Bond.

Section 7.20. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms, conditions and requirements of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP with copies of all documents submitted to the Authority.

The Issuer also agrees 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 acquisition and construction of the Project and the operation, maintenance and use of the System.

Section 7.21. Securities Laws Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.22. Contracts; Change Orders; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2015 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP and the Authority for written approval. The Issuer shall obtain the written approval of the DEP before expending any

proceeds of the Series 2015 A Bonds held in “contingency” as set forth in the schedule attached to the Certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the DEP before expending any proceeds of the Series 2015 A Bonds made available due to bid or construction or project underruns.

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

## ARTICLE VIII

### INVESTMENTS; USE OF PROCEEDS

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 Paying Agent, 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 Paying Agent, 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 investment or trust department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2015 A Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 2015 A Bonds from gross income for federal income tax purposes.

Section 8.02. Non-Arbitrage. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2015 A Bonds which would cause the Series 2015 A Bonds to be "arbitrage bonds" within the meaning of 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 Series 2005 A Bonds) so that the interest on the Series 2015 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Small Issuer Exemption from Rebate. In accordance with Section 148(f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that the Series 2015 A Bonds are not private activity bonds as defined in Section 141 of the Code; that 95% or more of the Net Proceeds of the Series 2015 A Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt bonds (other than

private activity bonds as defined in Section 141 of the Code) issued by the Issuer during the calendar year in which the Series 2015 A Bonds are issued are not and will not exceed \$5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations promulgated thereunder. For purposes of this Section 8.03 and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section 8.03 and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this Section 8.03 and Section 148(f)(4)(D) of the Code to any other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefitting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and Regulations from time to time in effect and applicable to the Series 2015 A Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and Regulations from time to time in effect and applicable to the Series 2015 A Bonds. In the event of a failure to pay the correct rebate amount, the Issuer will pay, from any lawful sources available therefor, to the United States such rebate amount, plus a penalty equal to 50% of the rebate amount not paid when required to be paid, plus interest on that amount, unless waived. The Issuer shall obtain a waiver from the Internal Revenue Service, if necessary, and take any other actions necessary to maintain the exclusion of interest on the Series 2015 A Bonds from gross income for federal income tax purposes. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants, and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

The Issuer shall furnish to the Authority, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing any required rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation and certificate with respect thereto or, if the Issuer qualifies for the small governmental issue exception to rebate, or any other exception thereto, then the Issuer shall submit to the Authority a certificate stating that it is exempt from such rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 2015 A Bonds subject to rebate. The Issuer shall also furnish to the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority including information with respect to earnings on all funds constituting "gross proceeds" of the Series 2015 A Bonds (as such term "gross proceeds" is defined in the Code).

## ARTICLE IX

### DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an “Event of Default” with respect to the Series 2015 A Bonds:

- (1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2015 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 2015 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2015 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 Paying Agent, the Depository Bank, Registrar, or a Holder of a Bond; or
- (3) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or
- (4) If default occurs with respect to the Prior Bonds or the Prior Ordinances.

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 Owner 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 Owner 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 Owner; provided however, that all rights and remedies of the Holders of the Series 2015 A Bonds shall be on a parity with those of the Holders of the Parity Bonds, and senior and prior to the Holders of the Subordinate Prior Bond.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to

complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owner 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 Series 2015 A Bonds. If the Issuer shall pay, or there shall otherwise be paid, to the Holders of the Series 2015 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 the pledge of Net Revenues, the pledge of future grant proceeds 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 2015 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2015 A Bonds from gross income for federal income tax purposes.

## ARTICLE XI

### MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2015 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2015 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 Owner of the Series 2015 A Bonds shall be made without the consent in writing of the Registered Owner of the Series 2015 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2015 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 respectively 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 amounts of the Series 2015 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 Bondholders as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 2015 A Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owner of the Series 2015 A Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any court of competent jurisdiction should hold any section, paragraph, clause or provision of this Ordinance invalid, 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 2015 A Bonds.

Section 11.04. Headings, Etc. The headings and catch lines 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; Prior Ordinances. All ordinances, orders or resolutions, 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 Ordinances, the Prior Ordinances 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 at the enactment of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, City Clerk and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07 Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) full days intervening between each publication, in the *Parkersburg News & Sentinel*, a newspaper published and of general circulation in The City of Williamstown, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2015 A Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten (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. 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.

First Reading: August 18, 2015

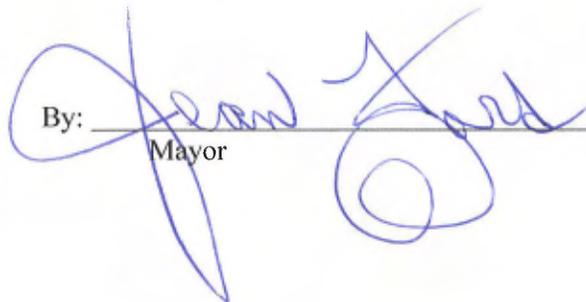
Passed on Second Reading: September 1, 2015

Final Reading and

Enacted Following Public Hearing: September 15, 2015

Enacted this 15th day of September, 2015.

THE CITY OF WILLIAMSTOWN

By:  \_\_\_\_\_  
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the City Council of THE CITY OF WILLIAMSTOWN on the 15th day of September, 2015.

Dated: September 30, 2015.

[SEAL]

  
\_\_\_\_\_  
City Clerk

THE CITY OF WILLIAMSTOWN

SEWER REVENUE BONDS, 2015 SERIES A  
(WEST VIRGINIA SRF PROGRAM)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, 2015 SERIES A (WEST VIRGINIA SRF PROGRAM), OF THE CITY OF WILLIAMSTOWN; APPROVING AND RATIFYING 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 SUCH BONDS.

WHEREAS, the City Council (the "Governing Body") of The City of Williamstown (the "Issuer") duly and officially enacted a Bond Ordinance on September 15, 2015 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF WILLIAMSTOWN AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$400,000 IN AGGREGATE PRINCIPAL AMOUNT OF ITS SEWER REVENUE BONDS, 2015 SERIES A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNER 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 ENACTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of the Sewer Revenue Bonds, 2015 Series A (West Virginia SRF Program) (the "Bonds"), of the Issuer, in the aggregate principal amount not to exceed \$400,000;

WHEREAS, the Bond Ordinance has authorized the execution and delivery of a Loan Agreement (the "Loan Agreement") relating to the 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 Department of Environmental Protection (the "DEP"), all in accordance with Chapter 16, Article 13 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

WHEREAS, the 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 (this "Supplemental Resolution") be adopted, that the Loan Agreement be approved and ratified by the Issuer, that the exact principal amount, the date, the maturity date, the redemption provision, the interest rate, the interest and principal payment dates and the sale price 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 WILLIAMSTOWN:

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, 2015 Series A (West Virginia SRF Program), of the Issuer, originally represented by a single bond, numbered AR-1, in the principal amount of \$336,500. The Bonds shall be dated the date of delivery thereof, shall finally mature September 1, 2036, and shall bear interest at the rate of 2% per annum. The principal of and interest on the Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2016, and maturing September 1, 2036, and in the amounts as set forth in "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 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 Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to 1% of the principal amount of the Bonds set forth in "Schedule Y" attached to the Loan Agreement.

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

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, 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 applications to the DEP and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued therein, provided that the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate United Bank, Inc., Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Bonds under the Bond Ordinance and does approve

and accept 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, approved and directed.

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

Section 6. The Issuer does hereby appoint and designate Williamstown National Bank, Williamstown, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 7. All proceeds of the Bonds shall be deposited in or credited to the 2015 Series A Bonds Construction Trust Fund as received from DEP from time to time for payment of the costs of the Project, including without limitation, costs of issuance of the Bonds and related costs.

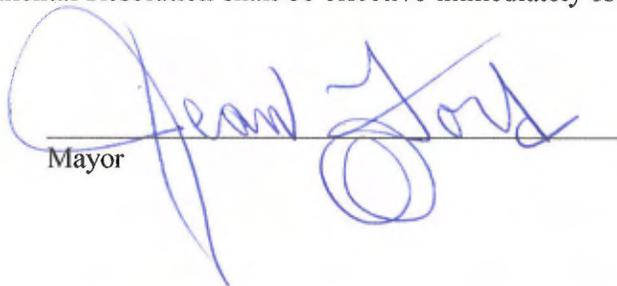
Section 8. The Mayor and the City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about September 30, 2015, to the Authority pursuant to the Loan Agreement.

Section 9. 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 10. The Sanitary Board is hereby authorized to review and approve invoices to be paid from the proceeds of the Bonds effective as of the date hereof. The Resolution approving invoices attached hereto as Exhibit A previously approved by the Sanitary Board at its meeting duly held on the date hereof prior to the adoption of this Supplemental Resolution is hereby ratified, confirmed and approved. The Chairman of the Sanitary Board is hereby authorized to execute requisitions following approval of the invoices by the Sanitary Board.

Section 11. The Issuer hereby determines that it is the best interest of the Issuer to invest all moneys in the funds and accounts established by the Resolution held by the Depository Bank until expended, in time deposits of the Depository Bank meeting the requirements set forth under the definition of "Qualified Investments" in the Resolution and, therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such time deposits, until further directed by the Issuer. Monies in the 2015 Series A Bonds Sinking Fund, including the 2015 Series A Bonds Reserve Account therein, shall be invested by the Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 12. This Supplemental Resolution shall be effective immediately following adoption hereof.

  
\_\_\_\_\_  
Mayor

CERTIFICATION

I hereby certify that the foregoing is a true copy of a Supplemental Resolution duly adopted by adopted by the City Council of The City of Williamstown on the 15<sup>th</sup> day of September, 2015.

Dated this 30<sup>th</sup> day of September, 2015.

[SEAL]

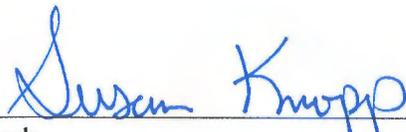
  
\_\_\_\_\_  
City Clerk

EXHIBIT A

FIRST DRAW RESOLUTION

C-544 386  
WILLIAMSTOWN SANITARY BOARD

**RESOLUTION OF THE WILLIAMSTOWN SANITARY BOARD  
APPROVING INVOICES RELATING TO SERVICES FOR THE PROPOSED  
PROJECT AND AUTHORIZING PAYMENT THEREOF,**

WHEREAS, the Williamstown Sanitary Board has reviewed the invoices attached hereto and incorporated herein by reference relation to the Project funded by the Clean Water State Revolving Fund (SRF) and find as follows:

1. That none of the items for which payment is proposed to be made has formed the basis for any disbursement theretofore made.
2. That each item for which the payment is proposed to be paid is or was necessary in connection with the Project and constitutes a Cost of the project.
3. That each of such costs has been otherwise properly incurred.
4. That the payment for each of the items proposed is due and owing.

NOW THEREFORE BE IT RESOLVED The Williamstown Sanitary Board by as follows: There is hereby authorized and directed the payment of the attached invoices as follows:

VENDOR	TOTAL	DEP-SRF
Boyles & Hildreth Eng.	\$25,383.00	\$25,383.00
Spilman Thomas & Battle	\$10,000.00	\$10,000.00
United Bank	\$500.00	\$500.00
MOVRC	\$11,197.44	\$11,197.44
Boyles & Hildreth Eng. (Reimbursement to City)	\$3,687.00	\$3,687.00
Myers Law Offices (Reimbursement to City)	\$5,279.97	\$5,279.97
CSX Transportation (Reimbursement to City)	\$6,850.00	\$6,850.00
Lowe & Associates CPA's (Reimbursement to City)	\$2,450.50	\$2,450.50
<b>TOTAL</b>	<b>\$65,347.91</b>	<b>\$65,347.91</b>

ADOPTED BY the Williamstown Sanitary Board at the meeting held on September 15, 2015.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Attest

SRF PAYMENT REQUISITION FORM

1. LOAN RECIPIENT/VENDOR:

NAME: City of Williamstown  
 ADDRESS: 100 West Fifth Street  
Williamstown, WV 26187  
 FEIN: 55-6000276  
 DUNS: 074958174

2. SRF #: C-544386

3. INVOICE NUMBER: 1

4. PERIOD COVERED BY THIS REQUEST (MO/DAY/YR)

FROM: (MO/DAY/YR) Dec. 26th, 2013 TO: (MO/DAY/YR) Sept. 15th, 2015

5. % PHYSICAL CONSTRUCTION COMPLETION 19%

CLASSIFICATION	A) APPROVED BUDGET	B) PREVIOUS APPROVED	C) THIS REQUEST	D) TOTAL COLUMNS B&C	E) AGENCY USE ONLY
					SRF
1) CONSTRUCTION	\$ 209,222		\$ -	\$ -	
2) CONSTRUCTION CONT.	\$ 10,461			\$ -	
3) ENGINEERING					
a. Basic	\$ 20,000		\$ 16,900	\$ 16,900	
B. Special Services	\$ 12,187		\$ 12,170	\$ 12,170	
c. RPR	\$ 20,000			\$ -	
4) LEGAL	\$ 7,500		\$ 5,280	\$ 5,280	
5) ACCOUNTING	\$ 6,000		\$ 2,451	\$ 2,451	
6) ADMINISTRATIVE	\$ 13,000		\$ 11,198	\$ 11,198	
7) UNFORSEEN COND	\$ 20,780			\$ -	
8) PERMITS	\$ 6,850		\$ 6,850	\$ 6,850	
9) BOND COUNSEL	\$ 10,000		\$ 10,000	\$ 10,000	
10) REGISTRAR FEE	\$ 500		\$ 500	\$ 500	
11) SUBTOTAL	\$ 336,500	\$ -	\$ 65,349	\$ 65,349	
12) LESS PREVIOUSLY PAID				\$ -	
13) INVOICE AMOUNT				\$ 65,349	

14) _____ AUTHORIZED SIGNATURE DATE <u>Jean Ford, Mayor</u> TYPED OR PRINTED NAME AND TITLE	15) _____ PERSON PREPARING FORM SIGNATURE DATE <u>Tim S. Meeks</u> TYPED OR PRINTED NAME AND TITLE
--	---

AGENCY USE ONLY:

THIS REQUEST APPROVED BY: <b>WV DEPARTMENT OF ENVIRONMENTAL PROTECTION</b>			
_____ PROJECT REVIEWER	_____ DATE	_____ AUTHORIZED OFFICER	_____ DATE



# Boyles and Hildreth

CONSULTING ENGINEERS

JAMES B. HILDRETH, P.E.

August 5, 2015

Ms. Jean Ford, Mayor  
City of Williamstown  
100 West Fifth Street  
Williamstown, WV 26187

## INVOICE

for professional services rendered from June 18, 2013 to and including August 5, 2015 in connection with the Wastewater Collection System Improvements Project as authorized by agreement dated June 18, 2013 and addendum dated July 24, 2015:

### SECTION B: ENGINEERING SERVICES

Lump Sum Fee	\$	20,000.00
Study and Report Phase -- 100% complete		4,500.00
Preliminary & Final Design -- 100% complete		10,850.00
Bidding and Negotiation Phase -- 100% complete		1,550.00
Construction Phase -- 0% complete		-
Less previous payments		-
Subtotal	\$	16,900.00

### SECTION C: ADDITIONAL SERVICES

Assistance in Acquisition of Land Rights		
14 hrs. Principal @ \$185.00/hr.		2,590.00
23 hrs. Professional IV @ \$120.00/hr.		2,760.00
4 hrs. Technican II @ \$80.00/hr.		320.00
6 hrs. Support Staff @ \$40.00/hr.		240.00
460 miles @ \$0.55/mile		253.00
Environmental Clearances		
5 hrs. Principal @ \$185.00/hr.		925.00
6 hrs. Technican II @ \$80.00/hr.		480.00
7.5 hrs. Support Staff @ \$40.00/hr.		300.00
Assistance with PSC Approval		
3 hrs. Principal @ \$185.00/hr.		555.00
1.5 hrs. Support Staff @ \$40.00/hr.		60.00
Subtotal	\$	8,483.00

**TOTAL DUE THIS PERIOD** \$ **25,383.00**

108 Court Street  
P.O. Box 614  
Spencer, WV 25276

voice: (304) 927-4574  
telecopier: (304) 927-2802  
e-mail: boyleshildreth@citynet.net



SPILMAN THOMAS & BATTLE, PLLC  
ATTORNEYS AT LAW

Direct Dial: (304) 340-3826  
E-mail: bhelmick@spilmanlaw.com

August 26, 2015

\$336,500  
THE CITY OF WILLIAMSTOWN  
SEWER REVENUE BONDS, 2015 SERIES A  
(WEST VIRGINIA SRF PROGRAM)

Mid-Ohio Valley Regional Council  
Tim S. Meeks, Grants Coordinator  
Post Office Box 247  
Parkersburg, West Virginia 26101

Invoice Number: 5263798

---

Legal fees for professional services rendered to the City of Williamstown in connection with above-referenced Bond Issue.

Closing Date: September 30, 2015

Legal fees and expenses:	
Bond Counsel	\$10,000.00

**Total Due - \$10,000.00**

Wire to: Branch Banking & Trust Co.  
Credit: Spilman Thomas & Battle, PLLC  
Swift Code: BRBTUS33  
ABA Number Routing #: 051503394  
Account Number: 0005176768470  
Invoice Number: 5263798  
Re: File No: 020623.0001

7654112 (018723.0011)

Spilman Center | 300 Kanawha Boulevard, East | Post Office Box 273 | Charleston, West Virginia 25321-0273  
www.spilmanlaw.com | 304.340.3800 | 304.340.3801 fax

West Virginia      North Carolina      Pennsylvania      Virginia



I N V O I C E

Date: September 30, 2015

To: City of Williamstown  
100 West Fifth Street  
Williamstown, WV  
Attn: Mayor

Re: The City of Williamstown  
Sewer Revenue Bonds  
2015 Series A  
(West Virginia SRF Program)

Amount Due: \$ 500.00

Acceptance Fee \$ 500.00

Please remit to United Bank  
Corporate Trust Department  
P. O. Box 393  
Charleston, WV 25322



Invoice	INV00000000000948
Date	8/31/2013
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**Bill To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

**Ship To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.		Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.
SEWER #1		WILL01			Net 30	8/31/2013	0
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1	0	LABOR	LABOR CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES AUGUST 2013	\$0.00	\$181.25	\$181.25

BOB LEACH 304 4224993 EXT 105

Subtotal	\$181.25
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$181.25</b>



Invoice	INV00000000000951
Date	9/30/2013
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 CITY BUILDING  
 WILLIAMSTOWN WV 26187

**Ship To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.		Customer ID		Salesperson ID		Shipping Method		Payment Terms		Req Ship Date		Master No.	
SEWER#2		WILL01						Net 30		9/30/2013		0	
Ordered	Shipped	B/O	Item Number	Description				Discount	Unit Price	Ext. Price			
1	1	0	LABOR	LABOR CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROEJCT ADMINISTRATIVE SERVICES SEPT 2013				\$0.00	\$430.50	\$430.50			

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$430.50
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$430.50</b>

Invoice	INV00000000000964
Date	10/31/2013
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**Bill To:**

CITY OF WILLIAMSTOWN  
CITY BUILDING  
WILLIAMSTOWN WV 26187

**Ship To:**

CITY OF WILLIAMSTOWN  
CITY BUILDING  
WILLIAMSTOWN WV 26187

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.	
SEWER#3	WILL01			Net 30	10/31/2013	0	
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1	0	LABOR	LABOR CIYT OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES OCT 2013	\$0.00	\$226.58	\$226.58

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$226.58
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$226.58</b>

## Regional Council

**Bill To:** CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

**Ship To:** CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.	
SEWER#4	WILL01			Net 30	12/31/2013	0	
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1	0	LABOR	LABOR CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES DEC 2013	\$0.00	\$514.89	\$514.89

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$514.89
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$514.89</b>

Invoice	INV00000000000989
Date	1/31/2014
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 WILLIAMSTOWN WV 26187

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.	
SEWER#5	WILL01			Net 30	1/31/2014	0	
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1	0	LABOR	LABOR CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES JAN 2014	\$0.00	\$1,546.27	\$1,546.27

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$1,546.27
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$1,546.27</b>



Invoice	INV0000000001005
Date	3/31/2014
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CITY OF WILLIAMSTOWN  
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 WILLIAMSTOWN WV 26187

**Ship To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.		Customer ID		Salesperson ID		Shipping Method		Payment Terms		Req Ship Date		Master No.	
SEWER#6		WILL01						Net 30		3/31/2014		0	
Ordered	Shipped	B/O	Item Number	Description				Discount	Unit Price	Ext. Price			
1	1	0	LABOR	LABOR				\$0.00	\$95.76	\$95.76			
1	1	0	TRAVEL	TRAVEL CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES MAR 2014				\$0.00	\$16.80	\$16.80			

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$112.56
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$112.56</b>



Invoice	INV00000000001020
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**Bill To:**

CITY OF WILLIAMSTOWN  
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 WILLIAMSTOWN WV 26187

**Ship To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.	
SEWER#7	WILL01			Net 30	5/31/2014	0	
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1	0	LABOR	LABOR CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES MAY 2014	\$0.00	\$103.73	\$103.73

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$103.73
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$103.73</b>



Invoice	INV0000000001030
Date	6/30/2014
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**Bill To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

**Ship To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.		Customer ID		Salesperson ID		Shipping Method		Payment Terms		Req Ship Date		Master No.	
SEWER#8		WILL01						Net 30		6/30/2014		0	
Ordered	Shipped	B/O	Item Number	Description				Discount	Unit Price	Ext. Price			
1	1	0	LABOR	LABOR CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES JUNE 2014				\$0.00	\$94.15	\$94.15			

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$94.15
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$94.15</b>



Invoice	INV00000000001036
Date	7/31/2014
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**Bill To:**

CITY OF WILLIAMSTOWN  
CITY BUILDING  
WILLIAMSTOWN WV 26187

**Ship To:**

CITY OF WILLIAMSTOWN  
CITY BUILDING  
WILLIAMSTOWN WV 26187

Purchase Order No.		Customer ID		Salesperson ID		Shipping Method		Payment Terms		Req Ship Date		Master No.	
SEWER#9		WILL01						Net 30		7/31/2014		0	
Ordered	Shipped	B/O	Item Number	Description				Discount	Unit Price	Ext. Price			
1	1	0	LABOR	LABOR CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES JULY 2014				\$0.00	\$96.43	\$96.43			

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$96.43
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$96.43</b>

Invoice	INV0000000001044
Date	8/31/2014
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[www.movrc.org](http://www.movrc.org)

**Bill To:**

**Ship To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.		Customer ID		Salesperson ID		Shipping Method		Payment Terms		Req Ship Date		Master No.	
SEWER#10		WILL01						Net 30		8/31/2014		0	
Ordered	Shipped	B/O	Item Number	Description				Discount	Unit Price	Ext. Price			
1	1	0	TELEPHONE	Telephone CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES AUGUST 2014				\$0.00	\$54.48	\$54.48			

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$54.48
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$54.48</b>

Invoice	INV00000000001058
Date	9/30/2014
Page	1

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Purchase Order No.		Customer ID		Salesperson ID		Shipping Method		Payment Terms		Req Ship Date		Master No.	
SEWER#11		WILL01						Net 30		9/30/2014		0	
Ordered	Shipped	B/O	Item Number	Description				Discount	Unit Price	Ext. Price			
1	1	0	LABOR	LABOR				\$0.00	\$515.41	\$515.41			
1	1	0	TRAVEL	TRAVEL				\$0.00	\$16.80	\$16.80			
1	1	0	POSTAGE	POSTAGE				\$0.00	\$5.32	\$5.32			
CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES SEPT 2014													

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$537.53
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$537.53</b>



Invoice	INV00000000001070
Date	10/31/2014
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 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.		Customer ID		Salesperson ID		Shipping Method		Payment Terms		Req Ship Date		Master No.	
SEWER#12		WILL01						Net 30		10/31/2014		0	
Ordered	Shipped	B/O	Item Number	Description				Discount	Unit Price	Ext. Price			
1	1	0	LABOR	LABOR CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES OCT 2014				\$0.00	\$389.13	\$389.13			

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$389.13
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$389.13</b>



Invoice	INV0000000001074
Date	11/30/2014
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 WILLIAMSTOWN WV 26187

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.	
SEWER#13	WILL01			Net 30	11/30/2014	0	
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1	0	TRAVEL	TRAVEL CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES NOV 2014	\$0.00	\$16.95	\$16.95

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$16.95
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$16.95</b>

Invoice	INV00000000001091
Date	12/31/2014
Page	1

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 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.
SEWER#14	WILL01			Net 30	12/31/2014	0

Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1	0	LABOR	LABOR	\$0.00	\$255.54	\$255.54
1	1	0	POSTAGE	POSTAGE	\$0.00	\$0.48	\$0.48
1	1	0	PRINTING	PRINTING	\$0.00	\$0.03	\$0.03
				CITY OF WILLIAMSTOWN			
				SEWER LINE REPLACEMENT PROJECT			
				ADMINISTRATIVE SERVICES DEC 2014			

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$256.05
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$256.05</b>

Invoice	INV00000000001095
Date	1/31/2015
Page	1

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 CITY BUILDING  
 WILLIAMSTOWN WV 26187

**Ship To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.		Customer ID		Salesperson ID		Shipping Method		Payment Terms		Reg Ship Date		Master No.	
SEWER#15		WILL01						Net 30		1/31/2015		0	
Ordered	Shipped	B/O	Item Number	Description				Discount	Unit Price	Ext. Price			
1	1	0	TRAVEL	TRAVEL CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES JAN 2015				\$0.00	\$17.25	\$17.25			

Project Manager Tim Meeks 304-422-4993 Ext. 135

Subtotal	\$17.25
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$17.25</b>

Invoice	INV0000000001105
Date	2/28/2015
Page	1

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**Bill To:**

CITY OF WILLIAMSTOWN  
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**Ship To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.
SEWER#16	WILL01			Net 30	2/28/2015	0

Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1	0	LABOR	LABOR	\$0.00	\$1,036.09	\$1,036.09
1	1	0	TRAVEL	TRAVEL CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES FEB 2015	\$0.00	\$16.10	\$16.10

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$1,052.19
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$1,052.19</b>

Invoice	INV0000000001117
Date	3/31/2015
Page	1

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**Bill To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

**Ship To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.		Customer ID		Salesperson ID		Shipping Method		Payment Terms		Req Ship Date		Master No.	
SEWER#17		WILL01						Net 30		3/31/2015		0	
Ordered	Shipped	B/O	Item Number	Description				Discount	Unit Price	Ext. Price			
1	1	0	LABOR	LABOR				\$0.00	\$591.47	\$591.47			
1	1	0	TRAVEL	TRAVEL				\$0.00	\$17.25	\$17.25			
1	1	0	POSTAGE	POSTAGE				\$0.00	\$5.95	\$5.95			
CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES MAR 2015													

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$614.67
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$614.67</b>

Invoice	INV00000000001127
Date	4/30/2015
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Purchase Order No.		Customer ID		Salesperson ID		Shipping Method		Payment Terms		Req Ship Date		Master No.	
SEWER#18		WILL01						Net 30		4/30/2015		0	
Ordered	Shipped	B/O	Item Number	Description				Discount	Unit Price	Ext. Price			
1	1	0	LABOR	LABOR				\$0.00	\$1,433.70	\$1,433.70			
1	1	0	TRAVEL	TRAVEL CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES APR 2015				\$0.00	\$13.80	\$13.80			

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$1,447.50
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$1,447.50</b>

Invoice	INV00000000001150
Date	5/31/2015
Page	1

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**Ship To:**

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 WILLIAMSTOWN WV 26187

Purchase Order No.		Customer ID		Salesperson ID		Shipping Method		Payment Terms		Req Ship Date		Master No.	
SEWER#19		WILL01						Net 30		5/31/2015		0	
Ordered	Shipped	B/O	Item Number	Description				Discount	Unit Price	Ext. Price			
1	1	0	LABOR	LABOR				\$0.00	\$2,118.78	\$2,118.78			
1	1	0	TRAVEL	TRAVEL CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES MAY 2015				\$0.00	\$17.25	\$17.25			

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$2,136.03
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$2,136.03</b>

Invoice	INV00000000001155
Date	6/30/2015
Page	1

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 CITY BUILDING  
 WILLIAMSTOWN WV 26187

**Ship To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.		Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.
SEWER#20		WILL01			Net 30	6/30/2015	0
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1		0 LABOR	LABOR	\$0.00	\$1,197.54	\$1,197.54
1	1		0 TRAVEL	TRAVEL	\$0.00	\$32.20	\$32.20
1	1		0 POSTAGE	POSTAGE	\$0.00	\$0.97	\$0.97
1	1		0 PRINTING	PRINTING	\$0.00	\$0.03	\$0.03
				CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES JUNE 2015			

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$1,230.74
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$1,230.74</b>

Invoice	INV00000000001170
Date	7/31/2015
Page	1

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CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

**Ship To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.		Customer ID		Salesperson ID		Shipping Method		Payment Terms		Req Ship Date		Master No.	
SEWER#21		WILL01						Net 30		7/31/2015		0	
Ordered	Shipped	B/O	Item Number	Description				Discount	Unit Price	Ext. Price			
1	1	0	LABOR	LABOR				\$0.00	\$98.31	\$98.31			
1	1	0	TRAVEL	TRAVEL CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES JULY 2015				\$0.00	\$40.25	\$40.25			

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$138.56
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$138.56</b>



JAMES B. HILDRETH, P.E.

September 26, 2012

City of Williamstown  
100 W. Fifth Street  
Williamstown, WV 26187-1597

---

**I N V O I C E**

for professional services rendered in connection with the preparation of application for CSX Sanitary Sewerline crossing permits:

37 hrs. @ \$90.00/hr.	\$3,330.00
1.5 hrs. @ \$150.00/hr.	225.00
240 miles @ \$0.55/mile	132.00

**TOTAL AMOUNT DUE                      \$3,687.00**

**Myers Law Offices**

201 Third Street  
P. O. Box 287  
Parkersburg, WV 26102-0287  
(304) 485-3600

**STATEMENT OF ACCOUNT**

BILL TO
The City of Williamstown 100 West Fourth Street Williamstown, WV 26187

DATE
September 1, 2015

**ITEMIZATION OF  
LEGAL SERVICES RENDERED AND EXPENSES INCURRED INCIDENT TO  
WILLIAMSTOWN CSX PROJECT,  
PUBLIC SERVICE COMMISSION CASE NO: 14-16-10-S-CN  
THROUGH SEPTEMBER 1, 2015**

DATE	DESCRIPTION	HOURS	AMOUNT
8/19/14	Phone conference with Tim Meeks	0.2	
8/29/14	Conference call with Meeks and others; PC with Susan Knopp	0.7	
8/31/14	Review documents re: CSX Replacement Project; Review PSC Rules re: Rule 42 filings	2.5	
9/9/14	PC with Knopp; Email exchanges with Knopp and Meeks; Review City of Rainelle Agreement	1.8	
9/10/14	Review email from Meeks (with attachments)	0.4	
9/11/14	Review Statute; Prepare Application for Certificate of Convenience and Necessity	1.5	
9/12/14	Email to Meeks	0.2	
9/15/14	Finalize Application; Prepare Notice of Filing; PC with Knopp; Email to Meeks; Letters to Public Service Commission and Mayor Ford	2.0	
9/16/14	Email from PSC; Review Order and Revised Notice of filing; PC with Knopp	0.6	
9/17/14	Letter from PSC; PC with Knopp	0.3	
9/18/14	Email exchange with Meeks; Review Right of Way information	0.4	
9/19/14	PC with Meeks	0.2	
10/1/14	Review PSC Order	0.1	
10/3/14	Email from PSC; Letter to Mayor Ford	0.2	

10/3/14	Review Right of Way Memo	0.2
10/9/14	PC with Knopp; Review PSC Discovery Request	0.5
10/10/14	Obtain and confirm property information re: Rights of Way	1.5
10/16/14	Review letter from City Engineer with Plats	0.2
10/17/14	Work in Record Room; Preparation of Rights of Way (7); Letter to Knopp	1.5
10/22/14	Review emails from Meeks and Hildreth	0.5
10/23/14	PC with Meeks	0.2
10/29/14	PC with Knopp	0.1
10/30/14	PC with Knopp; Email exchange with Meeks; Prepared "draft" of Discovery Responses to PSC	0.8
11/3/14	Email from Meeks	0.1
11/4/14	Prepare Supplemental Discovery Responses; Letter to PSC; Prepare revised Rights of Way (7); Letter to Alan Gates	1.4
11/12/14	Review Bond Ordinance; Forward to PSC	1.5
11/14/14	Email from PSC	0.1
11/20/14	PC with Meeks	0.4
11/26/14	Email from Meeks; Review correspondence	0.2
12/2/14	Second revisions to Rights of Way	1.0
12/4/14	Email exchange with Hildreth; Review Funding Letter	0.3
12/5/14	Prepare and file Supplemental Discovery Responses	0.4
12/10/14	PC with Gates	0.3
12/15/14	Review PSC Staff Memorandum; Email to Meeks	0.4
12/17/14	PC with Meeks	0.2
1/13/15	Review PSC Order	0.3
1/15/15	Letter to Meeks	0.3
2/6/15	PC with Gates; Third revision to Rights of Way; Email to Knopp	0.7
3/10/15	PC with Gates; Attend meeting with property owners	2.2
3/11/15	PC with Gates; Revise Baker Right of Way; PC with Mayor Ford; Email to Gates	0.9
3/13/15	PC with Meeks	0.2
3/19/15	Prepare Preliminary Title Opinion	0.5

4/3/15	Email from Meeks	0.1	
4/8/15	Record Rights of Way; Email exchange with PSC; Letter to Mayor Ford	0.7	
4/15/15	Letter to Knopp	0.1	
4/17/15	Review PSC Staff Memorandum; PC with Meeks; Letter to Mayor Ford	0.9	
4/23/15	Email exchange with Meeks	0.1	
4/29/15	Review PSC Supplemental Staff Memorandum; Letter to Mayor Ford	0.4	
5/12/15	Review Final PSC Decision; Letter to Mayor Ford	0.3	
6/22/15	Letter to PSC	0.2	
7/28/15	Email from Meeks; Review Project Schedule	0.2	
7/31/15	PC with Meeks; Review file; Email copy of Preliminary Title Opinion	0.5	
8/4/15	Project conference call; Prepare Final Title Opinion	1.0	
8/5/15	Review email from Meeks; Review updated Project documents; Letter to PSC	0.6	
8/10/15	Review PSC emails	0.1	
8/17/15	PC with Elizabeth Benedetto	0.2	
9/1/15	Conference call	0.7	
	<b>34.1 hours at \$150.00 per hour</b>		<b>\$5,115.00</b>
	<b>EXPENSES:</b>		
	Duplication expenses		\$87.97
	Recordation of Rights of Way		\$77.00
<b>BALANCE DUE</b>			<b>\$5,279.97</b>



Statement of Fees

Page 1 of 1  
Account/Contract CSX706661  
Customer Project No.  
Date 7/20/2012

**Customer**

CITY OF WILLIAMSTOWN  
100 WEST FIFTH STREET  
WILLIAMSTOWN, WV 26187

**Fees - At - A - Glance**

Amount Due \$ 4900.00

**Fees Summary**

One-Time License Fee	\$ 4000.00
Railroad Protective Liability (Article 10.5)	\$ 750.00
Scheduling Fee	\$ 150.00

Total Current Fees \$ 4900.00

**News You Can Use**

CSX Federal ID No. 54-6000720  
CSX Canadian ID No. 105203095 RC 0001  
CSX Quebec ID No. 1022434469 IC 0001

**Please remit payment to:**

**CSX Transportation, Inc.  
6737 Southpoint Dr. S., J180  
Jacksonville, FL 32216  
Attention: Melanie Perea**

Questions? Contact:

[melanie\\_perea@csx.com](mailto:melanie_perea@csx.com)  
904.279.3946



Print Form  
Reset Form

Mail To: CSX Transportation, Inc.  
ATTN: Corridor Occupancy Services  
500 Water Street, J-180  
Jacksonville, FL 32202

FORM CSXT #A01 03/30/09

Page 1 of 2

Submittal Must Include Drawing(s) and Review Fee(s)

## APPLICATION FOR FACILITY/UTILITY INSTALLATIONS

Application Date: Apr 20, 2012

CSXT File/Agreement Number: \_\_\_\_\_

### SECTION 1: FACILITY OWNER INFORMATION TO BE COMPLETED BY APPLICANT

#### Owner/Legal Company Identification (required)

Owner's Complete Legal Company Name:	City of Williamstown		
Legal Address (1):	100 West Fifth Street		
Legal Address (2):			
City:	Williamstown	State:	WV
		Zip:	26187
Business Type:	<input type="checkbox"/> Corporation	<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Limited Partnership
	<input checked="" type="checkbox"/> Municipality	<input type="checkbox"/> Limited Liability Partnership	<input type="checkbox"/> General Partnership
State of Incorporation:	Other Business Type - Describe:		

#### Billing Address

(Check box if same as above); if not, please complete below.

Billing Address (1):			
Billing Address (2):			
City:		State:	
		Zip:	

#### Owner Contact Information

Contact Name: Bob Kimble	Contact Title: Public Works Director
Office Phone: 304-375-6128      Ext.:	Mobile Phone:
Email: williamstownwater@hotmail.com	Emergency Phone:

### SECTION 2: PROJECT CONTACT INFORMATION TO BE COMPLETED BY APPLICANT

Check here if address is the same as legal address above.

If not the same as above, check here if agreement should be mailed to this address.

#### Project Engineer/Consultant/Agent Information

Engineer/Consultant/Agent Company Name:	Boyles & Hildreth Consulting Engineers		
Contact Name:	Andrew Corkrean		
Mailing Address:	108 Court Street		
City:	Spencer	State:	WV
		Zip:	25276
Office Phone:	304-927-4574	Mobile Phone:	304-377-1962
Email:	boyleshildreth@citynet.net		



Application for Facility/Utility Installation

FORM CSXT #A01 03/30/09

Page 2 of 2

SECTION 3: PROJECT INFORMATION/LOCATION

TO BE COMPLETED BY APPLICANT

Project Reference

Is this covered by an existing CSX permit/agreement or master agreement:

- Yes
- No

Provide Agreement # and/or date: **Unknown (replacing an existing crossing)**

Is this project related to another transaction/project with CSX:

- Yes
- No

Describe:

Provide utility owner project reference number:

Project Scope

Check box to indicate type of installation request:

- New Installation Request
- Upgrade/Replacement/Relocation of Existing Facilities

Will proposed installation connect to an existing facility within railroad corridor:

- Yes
- No

Provide name of connecting facility owner:

Check all boxes that apply to indicate type of installation request:

- Sub-grade
- Aerial

If "Sub-grade," check all boxes that apply to indicate proposed method of installation:

- Jack & Bore
- Horizontal Directional Drill
- Other

Describe:

Project Description

Description / Scope (Include: purpose, scope of work, materials, equipment, geographic features, special conditions):

The City of Williamstown is planning to replace an existing sanitary sewerline crossing located near STA 7450 between Milepost W-81 & W-82. The City plans to jack & bore a 18" steel casing pipe and load with a 12" PVC carrier pipe. The proposed crossing will be located downstream of the existing 12" crossing that will be abandoned and filled with grout in accordance with CSX requirements.

Project Location

City: **Williamstown**

County: **Wood**

State: **West Virginia**

Will facility installation be located entirely within public road right-of-way:

- Yes
- No

Provide AAR/DOT Crossing Inventory Number of Road (posted at crossing):



435 Highland Ave. • Williamstown, WV 26187  
 3002 East 7th St. • Parkersburg, WV 26101  
 www.williamstownbank.com  
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**CITY OF WILLIAMSTOWN**  
 Account No. : 278017  
 Stmt. Date : 06/29/2012

**IMAGE STATEMENT**

CITY OF WILLIAMSTOWN CONSOLIDATED FUND  
 100 WEST 8TH STREET WILLIAMSTOWN, WV 26187-1807  
 005526  
 DATE: 6/22/12 CHECK NO.: 005,525 AMOUNT: \$277.54  
 \*\* TWO HUNDRED SEVENTY SEVEN AND 54/100 DOLLARS \*\*  
 PAY TO THE ORDER OF: DAVID M. YAMMOR 419 KILGORE AVE. WILLIAMSTOWN, WV 26187  
 Signature: Susan K. Knapp

AMT: 277.54 SEQ: 60200850  
 CK: 5525 DT: 06/25/12 ST: Paid

CITY OF WILLIAMSTOWN CONSOLIDATED FUND  
 100 WEST 8TH STREET WILLIAMSTOWN, WV 26187-1807  
 005526  
 DATE: 6/22/12 CHECK NO.: 885,936 AMOUNT: \$1,147.18  
 \*\* ONE THOUSAND ONE HUNDRED FORTY SEVEN AND 18/100 DOLLARS \*\*  
 PAY TO THE ORDER OF: ROSAN J. KNOPP 322 S. SIX STREET WILLIAMSTOWN, WV 26187  
 Signature: Susan K. Knapp

AMT: 1,147.18 SEQ: 80101230  
 CK: 5526 DT: 06/25/12 ST: Paid

CITY OF WILLIAMSTOWN CONSOLIDATED FUND  
 100 WEST 8TH STREET WILLIAMSTOWN, WV 26187-1807  
 022910  
 DATE: 6/22/12 CHECK NO.: 885,936 AMOUNT: \$2.41  
 \*\* TWO AND 41/100 DOLLARS \*\*  
 PAY TO THE ORDER OF: BEVERLY SHANNON 1807 BEECHLAW ROAD MELBOURNE, VA 22904-31  
 Signature: Susan K. Knapp

AMT: 2.41 SEQ: 802297  
 CK: 22797 DT: 06/25/12 ST: Paid

CITY OF WILLIAMSTOWN CONSOLIDATED FUND  
 100 WEST 8TH STREET WILLIAMSTOWN, WV 26187-1807  
 022896  
 DATE: 6/26/12 CHECK NO.: 823,477 AMOUNT: \$1,950.00  
 \*\* ONE THOUSAND NINE HUNDRED FIFTY AND 00/100 DOLLARS \*\*  
 PAY TO THE ORDER OF: CRK TRANSPORTATION, INC. ATTN: CORRIDOR OCCUPANCY SVCS 800 WATER STREET, J-140 JACKSONVILLE, FL 32202  
 Signature: Susan K. Knapp

AMT: 1,950.00 SEQ: 80400160  
 CK: 22896 DT: 06/05/12 ST: Paid

CITY OF WILLIAMSTOWN CONSOLIDATED FUND  
 100 WEST 8TH STREET WILLIAMSTOWN, WV 26187-1807  
 022971  
 DATE: 6/27/12 CHECK NO.: 922,971 AMOUNT: \$50.00  
 \*\* FIFTY AND 00/100 DOLLARS \*\*  
 PAY TO THE ORDER OF: STATE FIRE COMMISSION 1207 CUMBERLAND STREET, 2ND FLOOR CHARLESTON, WV 25303  
 Signature: Susan K. Knapp

AMT: 50.00 SEQ: 80000880  
 CK: 22971 DT: 06/07/12 ST: Paid

CITY OF WILLIAMSTOWN CONSOLIDATED FUND  
 100 WEST 8TH STREET WILLIAMSTOWN, WV 26187-1807  
 022979  
 DATE: 6/27/12 CHECK NO.: 922,971 AMOUNT: \$3,957.52  
 \*\* THREE THOUSAND NINETY SEVEN AND 52/100 DOLLARS \*\*  
 PAY TO THE ORDER OF: JOHN POWERS P.O. BOX 3615 ALEXANDRIA, VA 22304-3615  
 Signature: Susan K. Knapp

AMT: 3,957.52 SEQ: 8022979  
 CK: 22979 DT: 06/07/12 ST: Paid

CITY OF WILLIAMSTOWN CONSOLIDATED FUND  
 100 WEST 8TH STREET WILLIAMSTOWN, WV 26187-1807  
 022980  
 DATE: 6/31/12 CHECK NO.: 922,980 AMOUNT: \$959.00  
 \*\* NINE HUNDRED FIFTY NINE AND 00/100 DOLLARS \*\*  
 PAY TO THE ORDER OF: AMERICAN FLAGS AND POLES 376 FRONT STREET HANOVERIA, OH 43130  
 Signature: Susan K. Knapp

AMT: 959.00 SEQ: 80200570  
 CK: 22980 DT: 06/06/12 ST: Paid

CITY OF WILLIAMSTOWN CONSOLIDATED FUND  
 100 WEST 8TH STREET WILLIAMSTOWN, WV 26187-1807  
 022981  
 DATE: 6/31/12 CHECK NO.: 922,981 AMOUNT: \$6,120.00  
 \*\* SIX THOUSAND ONE HUNDRED TWENTY AND 00/100 DOLLARS \*\*  
 PAY TO THE ORDER OF: ALJAMM'S SHEEP-A-LAY P.O. BOX 5437 VICKSBURG, WV 26105  
 Signature: Susan K. Knapp

AMT: 6,120.00 SEQ: 80101300  
 CK: 22981 DT: 06/12/12 ST: Paid

CITY OF WILLIAMSTOWN CONSOLIDATED FUND  
 100 WEST 8TH STREET WILLIAMSTOWN, WV 26187-1807  
 022982  
 DATE: 6/31/12 CHECK NO.: 922,982 AMOUNT: \$1,857.76  
 \*\* ONE THOUSAND EIGHT HUNDRED FIFTY SEVEN AND 76/100 DOLLARS \*\*  
 PAY TO THE ORDER OF: BESSOC READY-MIX P.O. BOX 644459 PETERSBURG, VA 23104-4459  
 Signature: Susan K. Knapp

AMT: 1,857.76 SEQ: 8022982  
 CK: 22982 DT: 06/12/12 ST: Paid

CITY OF WILLIAMSTOWN CONSOLIDATED FUND  
 100 WEST 8TH STREET WILLIAMSTOWN, WV 26187-1807  
 022983  
 DATE: 6/31/12 CHECK NO.: 922,983 AMOUNT: \$53.43  
 \*\* FIFTY THREE AND 43/100 DOLLARS \*\*  
 PAY TO THE ORDER OF: AT&T P.O. BOX 105968 ATLANTA, GA 30348-9068  
 Signature: Susan K. Knapp

CITY OF WILLIAMSTOWN CONSOLIDATED FUND  
 100 WEST 8TH STREET WILLIAMSTOWN, WV 26187-1807  
 022984  
 DATE: 6/31/12 CHECK NO.: 922,984 AMOUNT: \$92.44  
 \*\* NINETY TWO AND 44/100 DOLLARS \*\*  
 PAY TO THE ORDER OF: BADGER LINEN COMPANY, INC. 3293 CUMBER AVE. P.O. BOX 387 PARKERSBURG, WV 26101  
 Signature: Susan K. Knapp

CITY OF WILLIAMSTOWN CONSOLIDATED FUND  
 100 WEST 8TH STREET WILLIAMSTOWN, WV 26187-1807  
 022985  
 DATE: 6/31/12 CHECK NO.: 922,985 AMOUNT: \$82.44  
 \*\* EIGHTY TWO AND 44/100 DOLLARS \*\*  
 PAY TO THE ORDER OF: P.O. BOX 70887 CHARLOTTE, NC 28272-0887  
 Signature: Susan K. Knapp



SRF-LP-1  
(09/14)

LOAN AGREEMENT

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

CITY OF WILLIAMSTOWN  
(2013S-1439/C-544386)  
(Local Government)

W I T N E S S E T H:

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

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

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

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

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

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

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

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

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

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

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

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

## ARTICLE I

### Definitions

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

1.2 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any successor thereto, who was selected pursuant to Article 1, Chapter 5G of the Code of West Virginia of 1931, as amended.

1.3 "Decentralized System" means wastewater treatment systems that treat wastewater, then reusing and/or dispersing the reclaimed water, as close to where it is generated as practical in each circumstance. A Decentralized System may include: on-site systems contained entirely within the simple boundaries of the lot it serves; small-scale collective systems, with their reuse/dispersal sites on easements on the lots served, on vacant lots purchased

for this purpose, on off-site properties, or a combination of these; larger scale collective systems utilizing dispersed or aggregated reuse/dispersal sites or discharging to surface water.

1.4 “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.

1.5 “Local Act” means the official action of the Local Government required by Section 4.1 hereof, authorizing the Local Bonds.

1.6 “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.

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

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

1.9 “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.

1.10 “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.

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

1.12 “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.

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

## ARTICLE II

### The Project and the System

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

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

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

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

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

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

improvement to an existing system at any reasonable time following commencement of construction.

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

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

2.9 The Local Government shall provide and maintain competent and adequate engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, DEP and the Local Government at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Government shall require the Consulting Engineers to submit Record Drawings, 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 or updated Operation and Maintenance Manual, if necessary as defined in the SRF Regulations, to DEP when the Project is 90% completed. The Local Government shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Government shall employ a state certified plant operator prior to

the Project being 50% complete and notify the DEP of such employment. The Local Government shall retain the operator(s) to operate the System during the entire term of this Loan Agreement.

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

2.12 The Local Government, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project, shall each month complete a Monthly Financial Report, the form of which is attached hereto as Exhibit B and incorporated herein by reference, and forward a copy by the 20<sup>th</sup> of each month to DEP and the Authority.

2.13 The Local Government shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia (the "PSC").

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

### ARTICLE III

#### Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

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

(f) The Local Government shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") and the West Virginia Infrastructure and Jobs Development Council necessary for the construction of the Project and operation of the System, with all requisite appeal periods having expired without successful appeal and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

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

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

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

(j) The net proceeds of the Local Bonds, together with all moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes

or other indebtedness for which a binding purchase contract has been entered, to be deposited on a date certain) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and the Authority and DEP shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of wastewater treatment projects and satisfactory to the Authority and DEP, to such effect, such certificate to be in form and substance satisfactory to the Authority and DEP, and evidence satisfactory to the Authority and DEP of such irrevocably committed grants.

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority and DEP, including the SRF Regulations, or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government, it is hereby agreed that the Authority shall make the Loan to the Local Government and the Local Government shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Local Government shall sell to the Authority and the Authority shall make the Loan by purchasing the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

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

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Local Government by written notice to the Authority, which written notice shall be given not less than ten (10) business days prior to the date designated; provided, however, that if the Authority is unable to accept delivery on the date designated, the Local Bonds shall be delivered to the Authority on a date as close as possible to the designated date and mutually agreeable to the Authority, DEP and the Local Government. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Loan Closing."

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

3.6 The Local Government shall provide DEP with the appropriate documentation to comply with the special conditions regarding the public release and audit

requirements established by federal and State regulations as set forth in Exhibit E attached hereto at such times as are set forth therein.

3.7 The Local Government shall comply with all federal requirements applicable to the Loan (including those imposed by P.L. 113-76, Consolidated Appropriations Act, 2014, and related SRF Policy Guidelines issued by the EPA) which the Local Government understands includes, among other things, requirements that all of the iron and steel products used in the Project are to be produced in the United States (“American Iron and Steel Requirement”) unless (i) the Local Government has requested and obtained a waiver from the EPA pertaining to the Project or (ii) DEP has otherwise advised the Local Government in writing that the American Iron and Steel Requirement is not applicable to the Project.

3.8 The Local Government shall comply with all record keeping and reporting requirements under the Clean Water Act, including any reports required by a Federal agency or DEP such as performance indicators of program deliverables, information on costs and Project progress. The Local Government understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Clean Water Act and this Agreement may be a default hereunder that results in a repayment of the Loan in advance of the maturity of the Bonds and/or other remedial actions.

#### ARTICLE IV

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

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

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

- (i) to pay Operating Expenses of the System;
- (ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the “Reserve Account”) was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof in an amount equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the

“Reserve Requirement”), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

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

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

(b) Covenants substantially as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(xix) That the Local Government shall have obtained the certificate of the Consulting Engineers to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and DEP is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

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

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

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

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

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

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

4.5 As provided by the SRF Regulations, the Local Government agrees to pay from time to time, if required by the Authority and DEP, the Local Government's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such

administrative expenses shall be determined by the Authority and shall include, without limitation, Program expenses, legal fees paid by the Authority and fees paid to the trustee and paying agents for any bonds or notes to be issued by the Authority for contribution to the Fund and the fees and expenses of any corporate trustee for the Fund.

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

## ARTICLE V

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

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

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

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

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

## ARTICLE VI

### Other Agreements of the Local Government

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

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

6.3 The Local Government hereby agrees to repay on or prior to the Date of Loan Closing any moneys due and owing by it to the Authority or any other lender for the planning or design of the Project.

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

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

6.6 The Local Government hereby agrees to give the Authority and DEP prior written notice of the issuance by it of any other obligations to be used for the System, payable

from the revenues of the System or from any grants for the Project or otherwise related to the Project or the System.

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

## ARTICLE VII

### Miscellaneous

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

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

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

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

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

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

7.7 This Loan Agreement shall terminate upon the earlier of:

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

(ii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Local Government to the Authority or DEP; provided that the amount of the Loan made under this Loan Agreement in any succeeding fiscal year is contingent upon funds being appropriated by the State legislature or otherwise being available to make the Loan. In the event funds are not appropriated or otherwise available to make all of the Loan, the responsibility of the Authority and DEP to make all the Loan is terminated; provided further that the obligation of the Local Government to repay the outstanding amount of the Loan made by the Authority and DEP is not terminated due to such non-funding on any balance of the Loan. The DEP agrees to use its best efforts to have the amount contemplated under this Loan Agreement included in its budget. Non-appropriation or non-funding of the Loan shall not be considered an event of default under this Loan Agreement.

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

(SEAL)

Attest:

Susan Knopp  
Its: City Clerk

CITY OF WILLIAMSTOWN

By: [Signature]  
Its: Mayor  
Date: September 30, 2015

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

By: [Signature]  
Its: Director  
Date: September 30, 2015

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

Attest:

Sheila A. Miller  
Its: Authorized Officer

By: [Signature]  
Its: Executive Director  
Date: September 30, 2015

EXHIBIT A  
FORM OF PERFORMANCE CERTIFICATE

[To Be Provided By DEP]

EXHIBIT B

MONTHLY FINANCIAL REPORT

Name of Local Government \_\_\_\_\_

Name of Bond Issue(s) \_\_\_\_\_

Type of Project \_\_\_\_\_ Water \_\_\_\_\_ Wastewater \_\_\_\_\_

Fiscal Year \_\_\_\_\_ Report Month \_\_\_\_\_

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

\_\_\_\_\_  
Name of Person Completing Form

\_\_\_\_\_  
Address

\_\_\_\_\_  
Telephone

## INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

- Item 1 You will need a copy of the current fiscal year budget adopted by the Local Government to complete Items 1 and 2. In Item 1, provide the amount of actual **Gross Revenues** for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of \$1,200 are anticipated to be received for the year, each month the base would be increased by \$100 ( $\$1,200/12$ ). This is the incremental amount for the Budget Year-to-Date column.
- Item 2 Provide the amount of actual **Operating Expenses** for the current month and the total amount year-to-date in the respective columns. Any administrative fee should be included in the Operating Expenses. Divide the budgeted annual Operating Expenses by 12. For example, if Operating Expenses of \$900 are anticipated to be incurred for the year, each month the base would be increased by \$75 ( $\$900/12$ ). This is the incremental amount for the Budget Year-to-Date column.
- Item 3 Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Local Government according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.
- Item 4 Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are \$1,200, then \$30 (2.5% of \$1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Local Government.

**The Local Government must complete the Monthly Financial Report and forward it to the Water Development Authority by the 20<sup>th</sup> day of each month, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project.**

EXHIBIT C

PAYMENT REQUISITION FORM

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

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

\_\_\_\_\_  
(Issuer)

\_\_\_\_\_  
(Name of Bonds)

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

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

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

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the DEP and any change orders approved by the Issuer, the DEP and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least \_\_\_\_\_ years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule B attached hereto as Exhibit A, and my firm<sup>1</sup> 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

\_\_\_\_\_  
<sup>1</sup>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".

reflect the Project as approved by the DEP and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof<sup>2</sup>, the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; (xi) the successful bidders have provided the Dreg-Free Workplace Affidavit as evidence of the Vendor's compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code; and (xii) 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.

4. The Project will serve \_\_\_\_\_ new customers in the \_\_\_\_\_ area.

WITNESS my signature and seal on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

By \_\_\_\_\_  
West Virginia License No.

[SEAL]

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

## EXHIBIT E

### SPECIAL CONDITIONS

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

B. ASSET MANAGEMENT – The Local Government shall submit an acceptable asset management plan/fiscal sustainability plan that complied with Section 603(d)(1)(E) of the Clean Water Act to DEP no later than six months following substantial completion of the Project. This requirement shall be included in the bond closing documents.

C. WAGE RATES – The Local Government shall require that all laborers and mechanics employed by its contractors and subcontractors be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 32 of title 40, United States Code. The Local Government must require that contractors and subcontractors obtain wage determinations from DOL and comply with DOL guidance and regulations implementing wage rate requirements.

D. BID UNDERRUN – The Local Government shall use the \$20,780 in the Unforeseen Construction Site Conditions line item solely to address unforeseen site conditions as approved by the DEP.

EXHIBIT F

MONTHLY PAYMENT FORM

West Virginia Water Development Authority  
1009 Bullitt Street  
Charleston, WV 25301

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest	\$
Principal	\$
Total:	\$
Reserve Account:	\$

Witness my signature this \_\_\_ day of \_\_\_\_\_.

[Name of Local Government]

By: \_\_\_\_\_  
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

OPINION OF BOND COUNSEL FOR LOCAL GOVERNMENT

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority  
1009 Bullitt Street  
Charleston, WV 25301

West Virginia Department of Environmental Protection  
601 57<sup>th</sup> Street  
Charleston, WV 25304

Ladies and Gentlemen:

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

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

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

We have also examined the applicable provisions of \_\_\_\_\_ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond \_\_\_\_\_ duly adopted or enacted by the Local Government on \_\_\_\_\_, as supplemented by the supplemental resolution duly adopted by the Local Government on \_\_\_\_\_ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Local Bonds are subject to

redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

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

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

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

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

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

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

Very truly yours,

## SCHEDULE X

### DESCRIPTION OF LOCAL BONDS

A. Series A Bonds

Principal Amount of Local Bonds	\$336,500
Purchase Price of Local Bonds	\$336,500

The Local Bonds shall bear interest at a rate of 2% per annum. Commencing September 1, 2016, principal of and interest on the Local Bonds is payable quarterly, with an administrative fee of 1%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

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

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

- (a) Sewerage System Revenue Bonds, Series 1987 A, dated June 25, 1987, issued in the original aggregate principal amount of \$15,551 (the "1987 A Bonds");
- (b) Sewerage System Revenue Bonds, Series 1987 A-1, dated June 25, 1987, issued in the original aggregate principal amount of \$659,637 (the "1987 A-1 Bonds");

- (c) Sewer Revenue Bonds, Series 2005 A (West Virginia SRF Program), dated June 2, 2005, issued in the original aggregate principal amount of \$230,282 (the “2005 A Bonds); and
- (d) Sewer Revenue Bonds, Series 2009 (West Virginia SRF Program), dated December 9, 2009, issued in the original aggregate principal amount of \$800,000.

Number of Proposed New Customers to Be Served: -0-

Location: existing water lines crossing under WV Rt. 14 and CSX Railroad

**SCHEDULE Y**  
**DEBT SERVICE SCHEDULE**

Net Debt Service  
City of Williamstown  
CWSRF  
\$336,500  
2% Interest Rate  
1% Administrative Fee

Date	Principal	Coupon	Interest	Total Debt Service	Admin Fee	Net Debt Service
9/1/2016	3,380	2.000%	1,682.50	5,062.50	454.06	5,516.56
12/1/2016	3,397	2.000%	1,665.60	5,062.60	454.06	5,516.66
3/1/2017	3,414	2.000%	1,648.62	5,062.62	454.06	5,516.68
6/1/2017	3,431	2.000%	1,631.55	5,062.55	454.06	5,516.61
9/1/2017	3,448	2.000%	1,614.39	5,062.39	454.06	5,516.45
12/1/2017	3,465	2.000%	1,597.15	5,062.15	454.06	5,516.21
3/1/2018	3,483	2.000%	1,579.83	5,062.83	454.06	5,516.89
6/1/2018	3,500	2.000%	1,562.41	5,062.41	454.06	5,516.47
9/1/2018	3,517	2.000%	1,544.91	5,061.91	454.06	5,515.97
12/1/2018	3,535	2.000%	1,527.33	5,062.33	454.06	5,516.39
3/1/2019	3,553	2.000%	1,509.65	5,062.65	454.06	5,516.71
6/1/2019	3,571	2.000%	1,491.89	5,062.89	454.06	5,516.95
9/1/2019	3,588	2.000%	1,474.03	5,062.03	454.06	5,516.09
12/1/2019	3,606	2.000%	1,456.09	5,062.09	454.06	5,516.15
3/1/2020	3,624	2.000%	1,438.06	5,062.06	454.06	5,516.12
6/1/2020	3,642	2.000%	1,419.94	5,061.94	454.06	5,516.00
9/1/2020	3,661	2.000%	1,401.73	5,062.73	454.06	5,516.79
12/1/2020	3,679	2.000%	1,383.43	5,062.43	454.06	5,516.49
3/1/2021	3,697	2.000%	1,365.03	5,062.03	454.06	5,516.09
6/1/2021	3,716	2.000%	1,346.55	5,062.55	454.06	5,516.61
9/1/2021	3,734	2.000%	1,327.97	5,061.97	454.06	5,516.03
12/1/2021	3,753	2.000%	1,309.30	5,062.30	454.06	5,516.36
3/1/2022	3,772	2.000%	1,290.53	5,062.53	454.06	5,516.59
6/1/2022	3,791	2.000%	1,271.67	5,062.67	454.06	5,516.73
9/1/2022	3,810	2.000%	1,252.72	5,062.72	454.06	5,516.78
12/1/2022	3,829	2.000%	1,233.67	5,062.67	454.06	5,516.73
3/1/2023	3,848	2.000%	1,214.52	5,062.52	454.06	5,516.58
6/1/2023	3,867	2.000%	1,195.28	5,062.28	454.06	5,516.34
9/1/2023	3,886	2.000%	1,175.95	5,061.95	454.06	5,516.01
12/1/2023	3,906	2.000%	1,156.52	5,062.52	454.06	5,516.58
3/1/2024	3,925	2.000%	1,136.99	5,061.99	454.06	5,516.05
6/1/2024	3,945	2.000%	1,117.36	5,062.36	454.06	5,516.42
9/1/2024	3,965	2.000%	1,097.64	5,062.64	454.06	5,516.70
12/1/2024	3,985	2.000%	1,077.81	5,062.81	454.06	5,516.87
3/1/2025	4,005	2.000%	1,057.89	5,062.89	454.06	5,516.95
6/1/2025	4,025	2.000%	1,037.86	5,062.86	454.06	5,516.92
9/1/2025	4,045	2.000%	1,017.74	5,062.74	454.06	5,516.80
12/1/2025	4,065	2.000%	997.51	5,062.51	454.06	5,516.57
3/1/2026	4,085	2.000%	977.19	5,062.19	454.06	5,516.25
6/1/2026	4,106	2.000%	956.76	5,062.76	454.06	5,516.82
9/1/2026	4,126	2.000%	936.23	5,062.23	454.06	5,516.29
12/1/2026	4,147	2.000%	915.60	5,062.60	454.06	5,516.66
3/1/2027	4,168	2.000%	894.87	5,062.87	454.06	5,516.93
6/1/2027	4,188	2.000%	874.03	5,062.03	454.06	5,516.09
9/1/2027	4,209	2.000%	853.09	5,062.09	454.06	5,516.15
12/1/2027	4,230	2.000%	832.04	5,062.04	454.06	5,516.10
3/1/2028	4,252	2.000%	810.89	5,062.89	454.06	5,516.95

Net Debt Service  
City of Williamstown  
CWSRF  
\$336,500  
2% Interest Rate  
1% Administrative Fee

Date	Principal	Coupon	Interest	Total Debt Service	Admin Fee	Net Debt Service
6/1/2028	4,273	2.000%	789.63	5,062.63	454.06	5,516.69
9/1/2028	4,294	2.000%	768.27	5,062.27	454.06	5,516.33
12/1/2028	4,316	2.000%	746.80	5,062.80	454.06	5,516.86
3/1/2029	4,337	2.000%	725.22	5,062.22	454.06	5,516.28
6/1/2029	4,359	2.000%	703.53	5,062.53	454.06	5,516.59
9/1/2029	4,381	2.000%	681.74	5,062.74	454.06	5,516.80
12/1/2029	4,403	2.000%	659.83	5,062.83	454.06	5,516.89
3/1/2030	4,425	2.000%	637.82	5,062.82	454.06	5,516.88
6/1/2030	4,447	2.000%	615.69	5,062.69	454.06	5,516.75
9/1/2030	4,469	2.000%	593.46	5,062.46	454.06	5,516.52
12/1/2030	4,491	2.000%	571.11	5,062.11	454.06	5,516.17
3/1/2031	4,514	2.000%	548.66	5,062.66	454.06	5,516.72
6/1/2031	4,536	2.000%	526.09	5,062.09	454.06	5,516.15
9/1/2031	4,559	2.000%	503.41	5,062.41	454.06	5,516.47
12/1/2031	4,582	2.000%	480.61	5,062.61	454.06	5,516.67
3/1/2032	4,605	2.000%	457.70	5,062.70	454.06	5,516.76
6/1/2032	4,628	2.000%	434.68	5,062.68	454.06	5,516.74
9/1/2032	4,651	2.000%	411.54	5,062.54	454.06	5,516.60
12/1/2032	4,674	2.000%	388.28	5,062.28	454.06	5,516.34
3/1/2033	4,698	2.000%	364.91	5,062.91	454.06	5,516.97
6/1/2033	4,721	2.000%	341.42	5,062.42	454.06	5,516.48
9/1/2033	4,745	2.000%	317.82	5,062.82	454.06	5,516.88
12/1/2033	4,768	2.000%	294.09	5,062.09	454.06	5,516.15
3/1/2034	4,792	2.000%	270.25	5,062.25	454.06	5,516.31
6/1/2034	4,816	2.000%	246.29	5,062.29	454.06	5,516.35
9/1/2034	4,840	2.000%	222.21	5,062.21	454.06	5,516.27
12/1/2034	4,864	2.000%	198.01	5,062.01	454.06	5,516.07
3/1/2035	4,889	2.000%	173.69	5,062.69	454.06	5,516.75
6/1/2035	4,913	2.000%	149.25	5,062.25	454.06	5,516.31
9/1/2035	4,938	2.000%	124.68	5,062.68	454.06	5,516.74
12/1/2035	4,962	2.000%	99.99	5,061.99	454.06	5,516.05
3/1/2036	4,987	2.000%	75.18	5,062.18	454.06	5,516.24
6/1/2036	5,012	2.000%	50.25	5,062.25	454.06	5,516.31
9/1/2036	5,037	2.000%	25.19	5,062.19	454.05	5,516.24
	336,500		73,557.62	410,057.62	36,778.85	446,836.47

The quarterly administration fee is calculated based upon 1% of the bond payments and will be \$454.06, with a final payment of \$454.05 to total \$36,778.85.

SRF PAYMENT REQUISITION FORM

1. LOAN RECIPIENT/VENDOR:

NAME: City of Williamstown ✓  
 ADDRESS: 100 West Fifth Street ✓  
 Williamstown, WV 26187 ✓  
 FEIN: 55-6000276 ✓  
 DUNS: 074958174 ✓

2. SRF #: C-544386 ✓

3. INVOICE NUMBER: 1 ✓

4. PERIOD COVERED BY THIS REQUEST (MO/DAY/YR)

FROM: (MO/DAY/YR) Dec. 26th, 2013 ✓ TO: (MO/DAY/YR) Sept. 15th, 2015 ✓

5. % PHYSICAL CONSTRUCTION COMPLETION 19%

CLASSIFICATION	A) APPROVED BUDGET	B) PREVIOUS APPROVED	C) THIS REQUEST	D) TOTAL COLUMNS B&C	E) AGENCY USE ONLY
					SRF
1) CONSTRUCTION	\$ ✓ 209,222		\$ -	\$ -	
2) CONSTRUCTION CONT.	\$ ✓ 10,461			\$ -	
3) ENGINEERING					
a. Basic	\$ ✓ 20,000		\$ ✓ 16,900	\$ ✓ 16,900	16,900
B. Special Services	\$ ✓ 12,187		\$ ✓ 12,170	\$ ✓ 12,170	12,170
c. RPR	\$ ✓ 20,000			\$ -	
4) LEGAL	\$ ✓ 7,500		\$ ✓ 5,280	\$ ✓ 5,280	5280
5) ACCOUNTING	\$ ✓ 6,000		\$ ✓ 2,451	\$ ✓ 2,451	2451
6) ADMINISTRATIVE	\$ ✓ 13,000		\$ ✓ 11,198	\$ ✓ 11,198	11,198
7) UNFORSEEN COND	\$ ✓ 20,780			\$ -	
3) PERMITS	\$ ✓ 6,850		\$ ✓ 6,850	\$ 6,850	6850
3) BOND COUNSEL	\$ ✓ 10,000		\$ 10,000	\$ 10,000	10000
0) REGISTRAR FEE	\$ 500		\$ 500	\$ 500	500
1) SUBTOTAL	\$ ✓ 336,500	\$ -	\$ 65,349	\$ ✓ 65,349	65,349
2) LESS PREVIOUSLY PAID				\$ -	
3) INVOICE AMOUNT				\$ ✓ 65,349	65,349

4) Jean Ford 9/15/15  
 AUTHORIZED SIGNATURE DATE  
 Jean Ford, Mayor  
 TYPED OR PRINTED NAME AND TITLE

15) Tim S. Meeks 9/13/15  
 PERSON PREPARING FORM SIGNATURE DATE  
 Tim S. Meeks  
 TYPED OR PRINTED NAME AND TITLE

AGENCY USE ONLY:

THIS REQUEST APPROVED BY: WV DEPARTMENT OF ENVIRONMENTAL PROTECTION

Jing Hall 9/16/15 PROJECT REVIEWER DATE  
[Signature] 9/17/15 AUTHORIZED OFFICER DATE

The items listed heron conform to specification, were received and are approved for payment.

Date: 9 .16 .15 Signed: Jing Hall

FEIN#/SS# <u>556000 276</u>	PreEncumbrance n/a
Vendor # <u>211728</u>	Encumbrance <u>16 x 2108</u>
Lease # n/a	
Order/Requisition/Master Agreement # <u>C544 384</u>	

FUND	3329	3329	3329	3329	3329	3329	3329
FISCAL YEAR	2016	2016	2016	2016	2016	2016	2016
SUB-FUND	0000	0000	0000	0000	0000	0000	0000
DEPT	0313	0313	0313	0313	0313	0313	0313
UNIT	9455	9455	9457	9457	9459	9461	9461
APPR	09900	09900	09900	09900	09900	09900	09900
OBJECT	3285	3259	3285	3259	3259	3259	3259
SUB OBJECT	3887	3791	3888	3792	3791	3791	3792
AMOUNT	54,455.32	10,893.68					

If Applicable

MAJOR PROGRAM							
PROGRAM							
ENTITLEMENT YEAR							
FUNCTION	EPWR16017	EPWR16017					
ACTIVITY							
LOCATION							

Federal                      state                      Federal PF                      State PF                      NPS                      OSLP                      OSLP PF  
    or 2nd rd funds                      or 2nd rd funds                      2nd rd funds                      2nd rd funds                      3rd rd funds

WVDDEP  
 SEP 16 2015  
 CWSRF

SRF PAYMENT REQUISITION FORM

1. LOAN RECIPIENT/VENDOR:

NAME: City of Williamstown ✓  
 ADDRESS: 100 West Fifth Street ✓  
Williamstown, WV 26187 ✓  
 FEIN: 55-6000276 ✓  
 DUNS: 074958174 ✓

2. SRF #: C-544386 ✓

3. INVOICE NUMBER: 1 ✓

4. PERIOD COVERED BY THIS REQUEST (MO/DAY/YR)

FROM: (MO/DAY/YR) Dec. 26th, 2013 ✓ TO: (MO/DAY/YR) Sept. 15th, 2015 ✓

5. % PHYSICAL CONSTRUCTION COMPLETION 19%

CLASSIFICATION	A) APPROVED BUDGET	B) PREVIOUS APPROVED	C) THIS REQUEST	D) TOTAL COLUMNS B&C	E) AGENCY USE ONLY
					SRF
1) CONSTRUCTION	\$ ✓ 209,222		\$ -	\$ -	
2) CONSTRUCTION CONT.	\$ ✓ 10,461			\$ -	
3) ENGINEERING					
a. Basic	\$ ✓ 20,000		\$ ✓ 16,900	\$ ✓ 16,900	16,900
B. Special Services	\$ ✓ 12,187		\$ ✓ 12,170	\$ ✓ 12,170	12,170
c. RPR	\$ ✓ 20,000			\$ -	
4) LEGAL	\$ ✓ 7,500		\$ ✓ 5,280	\$ ✓ 5,280	5280
5) ACCOUNTING	\$ ✓ 6,000		\$ ✓ 2,451	\$ ✓ 2,451	2451
6) ADMINISTRATIVE	\$ ✓ 13,000		\$ ✓ 11,198	\$ ✓ 11,198	11,198
7) UNFORSEEN COND	\$ ✓ 20,780			\$ -	
3) PERMITS	\$ ✓ 6,850		\$ ✓ 6,850	\$ 6,850	6850
3) BOND COUNSEL	\$ ✓ 10,000		\$ 10,000	\$ 10,000	10000
0) REGISTRAR FEE	\$ 500		\$ 500	\$ 500	500
1) SUBTOTAL	\$ ✓ 336,500	\$ -	\$ 65,349	\$ ✓ 65,349	65,349
2) LESS PREVIOUSLY PAID				\$ -	
3) INVOICE AMOUNT				\$ ✓ 65,349	65,349

4) Jean Ford 9/15/15  
 AUTHORIZED SIGNATURE DATE  
 Jean Ford, Mayor  
 TYPED OR PRINTED NAME AND TITLE

15) Tim S. Meeks 9/15/15  
 PERSON PREPARING FORM SIGNATURE DATE  
 Tim S. Meeks  
 TYPED OR PRINTED NAME AND TITLE

AGENCY USE ONLY:  
 THIS REQUEST APPROVED BY: Jing Hall 9/16/15  
 PROJECT REVIEWER DATE  
 WV DEPARTMENT OF ENVIRONMENTAL PROTECTION  
[Signature] 9/17/15  
 AUTHORIZED OFFICER DATE

The items listed heron conform to specification, were received and are approved for payment.

Date: 9.16.15 Signed: Jing Hall

FEIN#/SS# <u>556000276</u>	PreEncumbrance n/a
Vendor # <u>211728</u>	Encumbrance <u>16x2108</u>
Lease # n/a	
Order/Requisition/Master Agreement # <u>C544 384</u>	

FUND	3329	3329	3329	3329	3329	3329	3329
FISCAL YEAR	2016	2016	2016	2016	2016	2016	2016
SUB-FUND	0000	0000	0000	0000	0000	0000	0000
DEPT	0313	0313	0313	0313	0313	0313	0313
UNIT	9455	9455	9457	9457	9459	9461	9461
APPR	09900	09900	09900	09900	09900	09900	09900
OBJECT	3285	3259	3285	3259	3259	3259	3259
SUB OBJECT	3887	3791	3888	3792	3791	3791	3792
AMOUNT	<u>54,455.32</u>	<u>10893.68</u>					

If Applicable

MAJOR PROGRAM							
PROGRAM							
ENTITLEMENT YEAR							
FUNCTION	<u>EPWR16017</u>	<u>EPWR16017</u>					
ACTIVITY							
LOCATION							

Federal                      state                      Federal PF                      State PF                      NPS                      OSLP                      OSLP PF  
or 2nd rd funds                      or 2nd rd funds                      2nd rd funds                      2nd rd funds                      3rd rd funds

WVDEP  
SEP 16 2015  
CWSRF



# WEST VIRGINIA

Infrastructure & Jobs Development Council

Gov. Earl Ray Tomblin  
Chairman

Kenneth Lowe, Jr.  
Public Member

Tom Plymale  
Public Member

Ron Justice  
Public Member

Louis R. Spatafore  
Public Member

Joseph Freeland  
Public Member

D. K. "Bud" Carr  
Public Member

James W. Ellars, P.E.  
Executive Director

Barbara J. Pauley  
Executive Assistant

Thursday, June 06, 2013

Susan Knopp, City Clerk  
Williamstown Municipal Sewer  
100 West Fifth Street  
Williamstown, WV 26187

Re: Williamstown Municipal Sewer  
Sewer Project 2013S-1439  
Preliminary Application Approved

Dear Ms. Knopp:

The West Virginia Infrastructure and Jobs Development Council (Council) has reviewed the preliminary application for the above-referenced project (Project).

Based on the findings of the Sewer Technical Review Committee, the Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The Sponsor should carefully review the comments of the Sewer Technical Review Committee, as found on the Project Team Members' Dashboards at [www.wvinfrastructure.com](http://www.wvinfrastructure.com), as the Sponsor may need to address certain issues raised in said comments as it proceeds with the Project.

Below is loan information for this Project:

CWSRF Loan - \$300,000.00 (2% interest, 1% admin fee, 20 yrs) - Recommended

If you have any questions regarding this matter, please contact James W. Ellars, P.E. at (304) 414-6501.

Sincerely,

Kenneth Lowe, Jr.

cc: DEP Rep Name, DEP  
Tim S. Meeks, Region 5 - Mid-Ohio Valley Regional Council (MOVRC)  
James B. Hildreth, Boyles and Hildreth Consulting Engineers  
Rod Lowe, Bassett & Lowe CPA

5/23/11



west virginia department of environmental protection

Division of Water and Waste Management  
601 57<sup>th</sup> Street S.E.  
Charleston, WV 25304  
Phone: (304) 926-0495  
Fax: (304) 926-0496

Earl Ray Tomblin, Governor  
Randy C. Huffman, Cabinet Secretary  
dep.wv.gov

April 3, 2015

The Honorable Jean Ford  
Mayor, City of Williamstown  
100 West Fifth Street  
Williamstown, West Virginia 26187-1597

RE: City of Williamstown  
CSO & WWTP Upgrade Project  
SRF No. C-544386  
Binding Commitment

Dear Mayor Ford:

This letter is to confirm our intention of providing the long-term financing through the Clean Water State Revolving Fund Program for the City's wastewater improvement project. The project will consist of the replacement of sections of the existing collection system.

We are hereby committing an amount of \$300,000 which will be issued at 2% interest, 1% annual administrative fee for a term up to 20 years. The final loan amount may be adjusted after receipt of bids and a formal application is submitted.

If the City's bonds have not been issued to the Fund prior to October 3, 2015, it is understood that the Fund reserves the right to discontinue processing the City's application on that day, and will have no further responsibilities or obligations hereunder.

Should you have any questions, please do not hesitate to contact me at (304) 926-0499, extension 1596 or at [Katheryn.D.Emery@wv.gov](mailto:Katheryn.D.Emery@wv.gov).

Sincerely,

Katheryn Emery, P. E.  
Program Manager  
Clean Water SRF Program

cc: Ms. Samme Gee, Esquire, Jackson Kelly  
Mr. Jim Hildreth, P.E., Boyles & Hildreth  
Mr. Tim Meeks, MOVRC

\$336,500  
THE CITY OF WILLIAMSTOWN  
SEWER REVENUE BONDS, 2015 SERIES A  
(WEST VIRGINIA SRF PROGRAM)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On this 30<sup>th</sup> day of September, 2015, the undersigned authorized representative of the West Virginia Water Development Authority (the “Authority”) and the undersigned Mayor of The City of Williamstown (the “Issuer”), hereby certify as follows:

(1) On the date hereof, the Authority received the entire original issue of Sewer Revenue Bonds, 2015 Series A (West Virginia SRF Program), issued as a single, fully registered Bond, numbered AR-1, in the principal amount of \$336,500, dated September 30, 2015 (the “Bonds”).

(2) At the time of such receipt, the Bonds had been executed by the Mayor and the City Clerk of the Issuer by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.

(3) The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Bonds, the sum of \$336,500, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced by the Authority and the West Virginia Department of Environmental Protection to the Issuer from time to time as acquisition and construction of the Project proceeds to completion.

(4) This document may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.

[Remainder of Page Intentionally Left Blank]

WITNESS our respective signatures dated the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT  
AUTHORITY

By: Sheila A. Miller  
Its: Authorized Representative

THE CITY OF WILLIAMSTOWN

By: Jan Ford  
Its: Mayor

\$336,500  
THE CITY OF WILLIAMSTOWN  
SEWER REVENUE BONDS, 2015 SERIES A  
(WEST VIRGINIA SRF PROGRAM)

REQUEST AND AUTHORIZATION TO  
AUTHENTICATE AND DELIVER BONDS

United Bank, Inc. as Registrar  
500 Virginia Street, East  
Charleston, West Virginia

Ladies and Gentlemen:

On this 30<sup>th</sup> day of September, 2015, there are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of The City of Williamstown Sewer Revenue Bonds, 2015 Series A (West Virginia SRF Program), in the principal amount of \$336,500, dated September 30, 2015 (the “Bonds”), executed by the Mayor and the City Clerk of The City of Williamstown (the “Issuer”) and bearing the official seal of the Issuer, authorized to be issued under and pursuant to the Bond Ordinance duly enacted by the Issuer on September 15, 2015, and a Supplemental Resolution duly adopted by the Issuer on September 15, 2015 (collectively, the “Ordinance”);

(2) A copy of the Ordinance authorizing the Bonds, duly certified by the City Clerk of the Issuer;

(3) Executed counterparts of the Loan Agreement for the Bonds dated September 30, 2015, by and among the Issuer, the West Virginia Water Development Authority (the “Authority”) and the West Virginia Department of Environmental Protection (the “Loan Agreement”); and

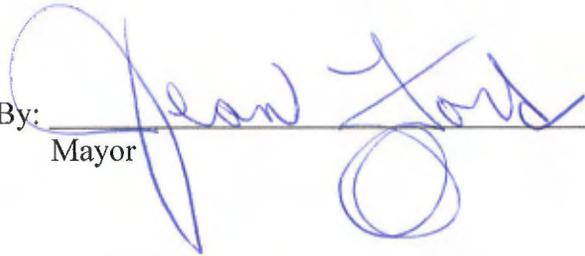
(4) An executed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Bonds.

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the Issuer of the sum of \$65,349.00, representing a portion of the principal amount of the Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and delivered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

[Remainder of Page Intentionally Left Blank]

WITNESS my signature as of the day and year first written above.

THE CITY OF WILLIAMSTOWN

By:  \_\_\_\_\_  
Mayor

# Specimen

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
THE CITY OF WILLIAMSTOWN  
SEWER REVENUE BONDS, 2015 SERIES A  
(WEST VIRGINIA SRF PROGRAM)

No. AR-1

\$336,500

KNOW ALL MEN BY THESE PRESENTS: That on this the 30<sup>th</sup> day of September, 2015, THE CITY OF WILLIAMSTOWN, a municipal and public corporation and political subdivision of the State of West Virginia in Wood 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 THREE HUNDRED THIRTY SIX THOUSAND FIVE HUNDRED DOLLARS (\$336,500), 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 September 1, 2016, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee of 1% (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 September 1, 2016, as set forth on EXHIBIT B attached hereto.

This Bond shall bear interest at the rate of two percent (2%) per annum beginning September 1, 2016. Principal and interest installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the DEP, dated September 30, 2015.

This Bond is issued (i) to pay the costs of acquisition, construction and equipping of certain additions, extensions, betterments and improvements to the existing public sewerage system of the Issuer (collectively, the "Project"), and (ii) to pay certain costs of issuance of the above-referenced bonds (the "Bonds") hereof and related costs. The existing public sewerage system of the Issuer, the extensions, additions, betterments and improvements constructed by the Project and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter

16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on September 15, 2015, and a Supplemental Resolution duly adopted by the Issuer on September 15, 2015 (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 WITH THE ISSUER'S (1) \$15,551 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987 A, (2), \$659,637 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987 A-1, (3) \$230,282 SEWER REVENUE BONDS, SERIES 2005 A, AND (4) \$800,000 SEWER REVENUE BONDS, SERIES 2009 (COLLECTIVELY, THE "PARITY BONDS"), AND SENIOR AND PRIOR TO THE ISSUER'S \$169,539 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987 B (THE "SUBORDINATE PRIOR BOND").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holder of the Parity Bonds, and senior and prior to the Subordinate Prior Bond, from moneys in the reserve account created under the Bond Legislation for the Bonds (the "2015 Series A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and 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 an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the 2015 Series A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior or subordinate to the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the 2015 Series A Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations Outstanding on a parity with or junior and subordinate to the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owner 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.

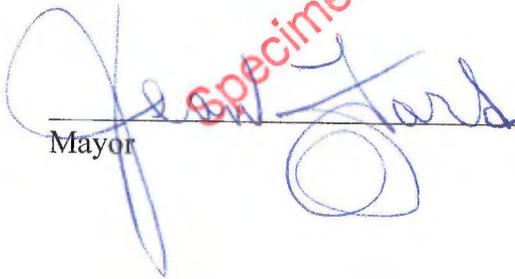
IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, 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 and interest on this Bond.

All provisions of the Bond Legislation, Ordinances 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, THE CITY OF WILLIAMSTOWN has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated September 30, 2015.

[SEAL]

  
\_\_\_\_\_  
Mayor

ATTEST:

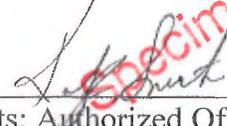
  
\_\_\_\_\_  
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

Date: September 30, 2015.

UNITED BANK, INC.

By:  \_\_\_\_\_

Its: Authorized Officer

7638156 (20623.0001)

EXHIBIT A  
RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$65,349.00	09-30-2015	(6) \$	
(2) \$		(7) \$	
(3) \$		(8) \$	
(4) \$		(9) \$	
(5) \$		(10) \$	

TOTAL \$ \_\_\_\_\_

EXHIBIT B

DEBT SERVICE SCHEDULE

Net Debt Service  
 City of Williamstown  
 CWSRF  
 \$336,500  
 2% Interest Rate  
 1% Administrative Fee

Date	Principal	Coupon	Interest	Total Debt Service	Admin Fee	Net Debt Service
9/1/2016	3,380	2.000%	1,682.50	5,062.50	454.06	5,516.56
12/1/2016	3,397	2.000%	1,665.60	5,062.60	454.06	5,516.66
3/1/2017	3,414	2.000%	1,648.62	5,062.62	454.06	5,516.68
6/1/2017	3,431	2.000%	1,631.55	5,062.55	454.06	5,516.61
9/1/2017	3,448	2.000%	1,614.39	5,062.39	454.06	5,516.45
12/1/2017	3,465	2.000%	1,597.15	5,062.15	454.06	5,516.21
3/1/2018	3,483	2.000%	1,579.83	5,062.83	454.06	5,516.89
6/1/2018	3,500	2.000%	1,562.41	5,062.41	454.06	5,516.47
9/1/2018	3,517	2.000%	1,544.91	5,061.91	454.06	5,515.97
12/1/2018	3,535	2.000%	1,527.33	5,062.33	454.06	5,516.39
3/1/2019	3,553	2.000%	1,509.65	5,062.65	454.06	5,516.71
6/1/2019	3,571	2.000%	1,491.89	5,062.89	454.06	5,516.95
9/1/2019	3,588	2.000%	1,474.03	5,062.03	454.06	5,516.09
12/1/2019	3,606	2.000%	1,456.09	5,062.09	454.06	5,516.15
3/1/2020	3,624	2.000%	1,438.06	5,062.06	454.06	5,516.12
6/1/2020	3,642	2.000%	1,419.94	5,061.94	454.06	5,516.00
9/1/2020	3,661	2.000%	1,401.73	5,062.73	454.06	5,516.79
12/1/2020	3,679	2.000%	1,383.43	5,062.43	454.06	5,516.49
3/1/2021	3,697	2.000%	1,365.03	5,062.03	454.06	5,516.09
6/1/2021	3,716	2.000%	1,346.55	5,062.55	454.06	5,516.61
9/1/2021	3,734	2.000%	1,327.97	5,061.97	454.06	5,516.03
12/1/2021	3,753	2.000%	1,309.30	5,062.30	454.06	5,516.36
3/1/2022	3,772	2.000%	1,290.53	5,062.53	454.06	5,516.59
6/1/2022	3,791	2.000%	1,271.67	5,062.67	454.06	5,516.73
9/1/2022	3,810	2.000%	1,252.72	5,062.72	454.06	5,516.78
12/1/2022	3,829	2.000%	1,233.67	5,062.67	454.06	5,516.73
3/1/2023	3,848	2.000%	1,214.52	5,062.52	454.06	5,516.58
6/1/2023	3,867	2.000%	1,195.28	5,062.28	454.06	5,516.34
9/1/2023	3,886	2.000%	1,175.95	5,061.95	454.06	5,516.01
12/1/2023	3,906	2.000%	1,156.52	5,062.52	454.06	5,516.58
3/1/2024	3,925	2.000%	1,136.99	5,061.99	454.06	5,516.05
6/1/2024	3,945	2.000%	1,117.36	5,062.36	454.06	5,516.42
9/1/2024	3,965	2.000%	1,097.64	5,062.64	454.06	5,516.70
12/1/2024	3,985	2.000%	1,077.81	5,062.81	454.06	5,516.87
3/1/2025	4,005	2.000%	1,057.89	5,062.89	454.06	5,516.95
6/1/2025	4,025	2.000%	1,037.86	5,062.86	454.06	5,516.92
9/1/2025	4,045	2.000%	1,017.74	5,062.74	454.06	5,516.80
12/1/2025	4,065	2.000%	997.51	5,062.51	454.06	5,516.57
3/1/2026	4,085	2.000%	977.19	5,062.19	454.06	5,516.25
6/1/2026	4,106	2.000%	956.76	5,062.76	454.06	5,516.82
9/1/2026	4,126	2.000%	936.23	5,062.23	454.06	5,516.29
12/1/2026	4,147	2.000%	915.60	5,062.60	454.06	5,516.66
3/1/2027	4,168	2.000%	894.87	5,062.87	454.06	5,516.93
6/1/2027	4,188	2.000%	874.03	5,062.03	454.06	5,516.09
9/1/2027	4,209	2.000%	853.09	5,062.09	454.06	5,516.15
12/1/2027	4,230	2.000%	832.04	5,062.04	454.06	5,516.10
3/1/2028	4,252	2.000%	810.89	5,062.89	454.06	5,516.95

Net Debt Service  
City of Williamstown  
CWSRF  
\$336,500  
2% Interest Rate  
1% Administrative Fee

Date	Principal	Coupon	Interest	Total Debt Service	Admin Fee	Net Debt Service
6/1/2028	4,273	2.000%	789.63	5,062.63	454.06	5,516.69
9/1/2028	4,294	2.000%	768.27	5,062.27	454.06	5,516.33
12/1/2028	4,316	2.000%	746.80	5,062.80	454.06	5,516.86
3/1/2029	4,337	2.000%	725.22	5,062.22	454.06	5,516.28
6/1/2029	4,359	2.000%	703.53	5,062.53	454.06	5,516.59
9/1/2029	4,381	2.000%	681.74	5,062.74	454.06	5,516.80
12/1/2029	4,403	2.000%	659.83	5,062.83	454.06	5,516.89
3/1/2030	4,425	2.000%	637.82	5,062.82	454.06	5,516.88
6/1/2030	4,447	2.000%	615.69	5,062.69	454.06	5,516.75
9/1/2030	4,469	2.000%	593.46	5,062.46	454.06	5,516.52
12/1/2030	4,491	2.000%	571.11	5,062.11	454.06	5,516.17
3/1/2031	4,514	2.000%	548.66	5,062.66	454.06	5,516.72
6/1/2031	4,536	2.000%	526.09	5,062.09	454.06	5,516.15
9/1/2031	4,559	2.000%	503.41	5,062.41	454.06	5,516.47
12/1/2031	4,582	2.000%	480.61	5,062.61	454.06	5,516.67
3/1/2032	4,605	2.000%	457.70	5,062.70	454.06	5,516.76
6/1/2032	4,628	2.000%	434.68	5,062.68	454.06	5,516.74
9/1/2032	4,651	2.000%	411.54	5,062.54	454.06	5,516.60
12/1/2032	4,674	2.000%	388.28	5,062.28	454.06	5,516.34
3/1/2033	4,698	2.000%	364.91	5,062.91	454.06	5,516.97
6/1/2033	4,721	2.000%	341.42	5,062.42	454.06	5,516.48
9/1/2033	4,745	2.000%	317.82	5,062.82	454.06	5,516.88
12/1/2033	4,768	2.000%	294.09	5,062.09	454.06	5,516.15
3/1/2034	4,792	2.000%	270.25	5,062.25	454.06	5,516.31
6/1/2034	4,816	2.000%	246.29	5,062.29	454.06	5,516.35
9/1/2034	4,840	2.000%	222.21	5,062.21	454.06	5,516.27
12/1/2034	4,864	2.000%	198.01	5,062.01	454.06	5,516.07
3/1/2035	4,889	2.000%	173.69	5,062.69	454.06	5,516.75
6/1/2035	4,913	2.000%	149.25	5,062.25	454.06	5,516.31
9/1/2035	4,938	2.000%	124.68	5,062.68	454.06	5,516.74
12/1/2035	4,962	2.000%	99.99	5,061.99	454.06	5,516.05
3/1/2036	4,987	2.000%	75.18	5,062.18	454.06	5,516.24
6/1/2036	5,012	2.000%	50.25	5,062.25	454.06	5,516.31
9/1/2036	5,037	2.000%	25.19	5,062.19	454.05	5,516.24
	336,500		73,557.62	410,057.62	36,778.85	446,836.47

The quarterly administration fee is calculated based upon 1% of the bond payments and will be \$454.06, with a final payment of \$454.05 to total \$36,778.85.

(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:

\_\_\_\_\_

\_\_\_\_\_



SPILMAN THOMAS & BATTLE, PLLC

ATTORNEYS AT LAW

September 30, 2015

The City of Williamstown  
Williamstown, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

West Virginia Department of Environmental Protection  
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by The City of Williamstown (the “Issuer”), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia (the “State”), of its \$336,500 Sewer Revenue Bonds, 2015 Series A (West Virginia SRF Program), dated the date hereof (the “Bonds”).

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State, including particularly, Chapter 16, Article 13 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the “Act”), and a Bond Ordinance duly enacted by the Issuer on September 15, 2015, and a Supplemental Resolution duly adopted by the Issuer on September 15, 2015 (collectively, the “Bond Legislation”), (i) to pay the costs of acquisition, construction and equipping of certain additions, extensions, betterments and improvements to the existing public sewerage system of the Issuer (collectively, the “Project”), and (ii) to pay certain costs of issuance of the Bonds hereof and related costs. The existing public sewerage system of the Issuer, the extensions, additions, betterments and improvements constructed by the Project and any further extensions, additions, betterments or improvements thereto are herein called the “System.”

We have examined the applicable provisions of the Act, the Bond Legislation, a Loan Agreement dated September 30, 2015, including all schedules and exhibits attached thereto (the “Loan Agreement”), by and among the Issuer, the West Virginia Water Development Authority (the “Authority”) and the West Virginia Department of Environmental Protection (the “DEP”), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond,

The City of Williamstown, *et. al.*

September 30, 2015

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registered to the Authority, bearing interest at the rate of two percent (2%) per annum, with principal and interest payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2016, and maturing on September 1, 2036, all as set forth in the Bonds and Schedule Y attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. The Bonds are subject to the SRF Administrative Fee equal to 1% of the principal amount of the Bonds as set forth in Schedule Y attached to the Loan Agreement.

In our capacity as bond counsel, we have examined the transcript of proceedings (the "Transcript") relating to the Bonds, including, but not limited to, certified copies of the Bond Legislation, the Loan Agreement and a copy of a signed and authenticated Bond. The Bonds recite that they have been issued pursuant to the Act to be used in the manner described in the Bond Legislation to finance the costs described therein. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

The Issuer has executed a Certificate as to Arbitrage dated as of the date hereof (the "Tax Certificate"), pursuant to which the Issuer has covenanted to, among other things, the use, expenditure and investment of the proceeds of the Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the Bonds (the "Covenants"), such that the requirements of the Internal Revenue Code of 1986, as amended, and regulations promulgated pursuant thereto (collectively, the "Code"), necessary to establish and maintain the excludability from gross income for federal income tax purposes of the interest on the Bonds. For the purposes of this opinion, we have assumed that the Issuer has and will continue to comply with the Covenants. Further, without undertaking to verify the same by independent investigation, we have relied upon the accuracy of, and assumed the correctness of, certifications and representations by representatives of the Issuer with respect to factual matters relevant to both our opinion and the requirements of the Code.

We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the first paragraph hereof. We have relied upon and assumed the correctness of the legal conclusions contained in the legal opinion letter of even date herewith of C. Blaine Myers, Esquire, as counsel to the Issuer.

The City of Williamstown, *et. al.*  
September 30, 2015  
Page 3

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, that:

1. The Issuer is a duly created and validly existing municipal corporation and political subdivision of the State, with full power and authority to enact the Bond Legislation, to acquire and construct the Project, to operate and maintain the System 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, executed and delivered on behalf of the Issuer, and is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and the DEP and cannot be amended so as to adversely affect the rights of the Authority and the DEP or diminish the obligations of the Issuer without the written consent of the Authority and the DEP.

3. The Bond Legislation and all other necessary ordinances and resolutions have been duly and effectively adopted by the Issuer, are in full force and effect as of the date hereof and constitute valid and binding obligations of the Issuer enforceable upon the Issuer in accordance with their terms. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

4. The Bonds have been duly authorized, executed and delivered by the Issuer to the Authority and, assuming proper authentication, 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 security for payment with the Issuer's (i) \$15,551 Sewerage System Revenue Bonds, Series 1987 A, (ii) \$659,637 Sewerage System Revenue Bonds, Series 1987 A-1, (iii) \$230,282 Sewer Revenue Bonds, Series 2005 A and (iv) \$800,000 Sewer Revenue Bonds, Series 2009 and senior and prior to the Issuer's \$169,539 Sewerage System Revenue Bonds, Series 1987 B, all in accordance with the terms of the Bonds, the Bond Legislation and the Act.

5. Under current law, interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although we observe that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. The opinion set forth in the preceding sentence is subject to the condition that all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest on the Bonds be, or continue to be, excludable from gross income for federal income tax purposes are so satisfied,

The City of Williamstown, *et. al.*  
September 30, 2015  
Page 4

and therefore failure by the Issuer to comply with the Covenants, among other things, could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance. We express no opinion regarding any other tax consequences of the ownership of or receipt or accrual of interest on the Bonds. Furthermore, we express no opinion as to the effect on the excludability of the interest on the Bonds from gross income of (a) any future event for which the Bond Legislation requires an opinion of Bond Counsel or (b) any future amendment of the Bond Legislation or waiver of the terms thereof.

6. The Bonds are, under the Act, exempt from taxation by the State and the other taxing bodies of the State.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Loan Agreement and the Bond Legislation, and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity, and by the exercise of judicial discretion. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents.

This opinion is given as of the date hereof, based on the law in effect and the factual representations made to us as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any changes in law that may hereafter occur or any changes in facts or circumstances that may hereafter occur or come to our attention. This opinion is limited to the matters set forth above, and no other opinions should be implied or inferred beyond the matters expressly stated.

This opinion is rendered to the addressees set forth above solely for their use in connection with the transactions contemplated under the Bond Legislation, is solely for the benefit of those addressees, and their respective successors and assigns and, except where we have given our prior written consent, may not be relied upon by anyone else or used for any purpose other than in connection with the consummation of the transactions contemplated in the Bond Legislation.

The City of Williamstown, *et. al.*  
September 30, 2015  
Page 5

We have examined the executed and authenticated Bond number AR-1, and in our opinion, said Bond is in proper form and has been duly executed and authenticated.

Very truly yours,

*Spilman Thomas & Battle, PLLC*

Spilman Thomas & Battle, PLLC

# MYERS LAW OFFICES

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C. BLAINE MYERS  
JESSICA E. MYERS

201 Third Street  
P.O. Box 287  
Parkersburg, WV 26102  
(304) 485-3600  
Fax (304) 485-0667  
www.myerslawwv.com

September 30, 2015

The City of Williamstown  
Williamstown, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

West Virginia Department of Environmental Protection  
Charleston, West Virginia

Spilman Thomas & Battle, PLLC  
Charleston, West Virginia

Re: \$336,500  
THE CITY OF WILLIAMSTOWN  
SEWER REVENUE BONDS, 2015 SERIES A  
(WEST VIRGINIA SRF PROGRAM)

Ladies and Gentlemen:

I am counsel to The City of Williamstown, a municipal corporation in Wood County, West Virginia (the "Issuer"), in connection with the issuance and sale of the Issuer's Sewer Revenue Bonds, 2015 Series A (West Virginia SRF Program) (the "Bonds"). As such counsel, I have reviewed copies of the approving opinion of Spilman Thomas & Battle, PLLC, as bond counsel, the Bond Ordinance duly adopted by the Issuer on September 15, 2015, as supplemented by a Supplemental Resolution duly adopted by the Issuer on September 15, 2015 (collectively, the "Bond Legislation"), a loan agreement dated September 30, 2015, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), a Petition of the Sanitary Board duly adopted on September 18, 2015 and other documents, papers, agreements, instruments and certificates relating to the Bonds. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

I am of the opinion that:

1. The Issuer is duly created and validly existing as a municipal corporation and political subdivision of the State of West Virginia.

2. The Mayor, the City Clerk and the members of the City Council of the Issuer and the Sanitary Board have been duly and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.

3. The Bond Legislation has been duly adopted and enacted by the Issuer and is in full force and effect as of the date hereof and constitutes a valid and binding obligation of the Issuer enforceable in accordance with its terms.

4. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the Authority and the DEP, constitutes a valid and binding agreement of the Issuer enforceable in accordance with its terms.

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 Bond Legislation, and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any 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 issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, and the imposition of rates and charges for use of the System, including, without limitation, all requisite orders, certificates and approvals from the DEP, the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges.

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

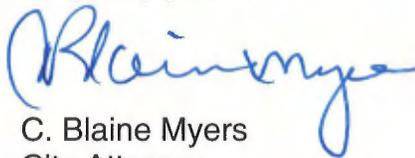
8. All successful bidders have made the required provisions for all insurance and payment and performance bonds and such insurance policies and bonds have been verified for accuracy and have verified that the contract or contracts comply with the requirements of Chapter 21, Article 1D of the Code of West Virginia, 1931, as amended. Based upon my review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, I am of the opinion that such surety bonds and policies (i) are in compliance with the contracts; (ii) are adequate in form, substance and amount to protect the various interests of the Issuer; (iii) have been executed by duly authorized representatives of the proper parties; (iv) meet the requirements of the Act, the Bond Legislation and the Loan Agreement; and (v) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

I express no other opinions other than those expressly stated hereinabove. Without limiting the generality of the foregoing sentence, I express no opinion as to the tax, bond or securities laws of the United States or of any state thereof.

It is to be understood that the rights of the various parties to the transaction and the enforceability of the instruments and agreements may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights (to the extent constitutionally applicable), and that the enforcement thereof may also be subject to the exercise of judicial discretion in the appropriate cases.

This opinion is rendered only for the benefit of the addressees and may not be relied upon by other parties without our prior written consent.

Very truly yours,



C. Blaine Myers  
City Attorney

# MYERS LAW OFFICES

---

C. BLAINE MYERS  
JESSICA E. MYERS

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P.O. Box 287  
Parkersburg, WV 26102  
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August 4, 2015

West Virginia Department of Environmental Protection  
601 57<sup>th</sup> Street SE  
Charleston, WV 25304

West Virginia Water Development Authority  
1009 Bullitt Street  
Charleston, WV 25301

Brian Helmick  
Spilman Thomas & Battle, PLLC  
P.O. Box 273  
Charleston, WV 25321

## **FINAL TITLE LETTER**

Re: City of Williamstown Sewer Revenue Bond  
Application for Certification of Convenience and Necessity  
PSC Case No: 14-1610-S-CN

Ladies and Gentlemen:

I am counsel for the City of Williamstown (the "Issuer") in connection with a proposed project to construct certain water and sewer improvements referenced above (the "Project"). I provide this preliminary title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Department of Environmental Protection (the "DEP") for the Project. Please be advised of the following:

1. I am of the opinion that the Issuer is a duly created and validly existing municipality possessed with all the powers and authority granted to municipalities under the laws of the State of West Virginia to construct, operate and maintain the Project.
2. The Issuer has obtained all necessary permits and approvals for the construction of the Project.
3. I have investigated and ascertained the location of, and am familiar with the legal description of, the necessary sites, including easements and/or rights of way,

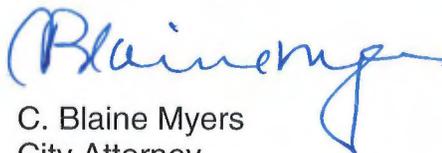
West Virginia Department of Environmental Protection  
West Virginia Water Development Authority  
Brian Helmick  
August 4, 2015  
Page 2

required for the Project as set forth in the plans for the Project prepared by Boyles and Hildreth, the consulting engineers for the Project.

4. I have examined the records on file in the Office of the Clerk of the County Commission of Wood County, West Virginia, the County in which the Project is to be located, and, in my opinion the Issuer has acquired legal title or such other estate or interest in all the necessary site components of the Project, including 100% of all real property and 100% of 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 facility.

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

Very truly yours,



C. Blaine Myers  
City Attorney

CBM/tls

cc: Tim Meeks, Mid Ohio Valley Regional Council  
531 Market Street  
Parkersburg, WV 26101

Jean Ford, Mayor  
City of Williamstown

\$336,500  
THE CITY OF WILLIAMSTOWN  
SEWER REVENUE BONDS, 2015 SERIES A  
(WEST VIRGINIA SRF PROGRAM)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEYS ON:

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

On this 30<sup>th</sup> day of September, 2015, the undersigned Mayor and City Clerk of The City of Williamstown in Wood County, West Virginia (the "Issuer"), and the undersigned counsel to the Issuer hereby certify in connection with the Issuer's Sewer Revenue Bonds, 2015 Series A (West Virginia SRF Program), dated the date hereof (the "Bonds"), as follows:

1. **TERMS:** All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning set forth in the Bond Ordinance of the Issuer duly adopted on September 15, 2015 and the Supplemental Resolution of the Issuer duly adopted on September 15, 2015 (collectively, the "Bond Legislation").

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

operation of the System, the pledge or application of monies and security, the collection of the Gross Revenues or the pledge of the Net Revenues as security for the Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable and necessary approvals, permits, licenses, orders, authorizations, registrations, exemptions, consents 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, and the Issuer has met all conditions prescribed in the Loan Agreement. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

There are outstanding obligations of the Issuer which will rank on a parity with the Bonds as to liens, pledge, source of and security for payment, being the Issuer's: (i) \$15,551 Sewerage System Revenue Bonds, Series 1987 A, (ii) \$659,637 Sewerage System Revenue Bonds, Series 1987 A-1, (iii) \$230,282 Sewer Revenue Bonds, Series 2005 A and (iv) \$800,000 Sewer Revenue Bonds, Series 2009 (collectively, the "Parity Bonds"). The Bonds shall be issued on a parity with the Parity Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Bonds will be senior and prior to the Issuer's \$169,539 Sewerage System Revenue Bonds, Series 1987 B (the "Subordinate Bond" and collectively with the Parity Bonds, 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 Bonds, the Issuer will obtain (i) a 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 Holders 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 outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Ordinances and no default exists with respect to the Prior Bonds.

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

Bond Ordinance

Supplemental Resolution

Loan Agreement

Public Service Commission Order

West Virginia Infrastructure and Jobs Development Council Approval Letter

Charter and Rules of Procedure, including any Amendments

Oaths of Office of Officers and Councilmembers

Ordinance Creating Sanitary Board, including any Amendments, and Oaths of Members

Petition of Sanitary Board

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

Minutes on Adoption and Enactment of Bond Ordinance and Supplemental Resolution, Sweep Resolution, Draw Resolution, and Post-Issuance Compliance Policy

Parity Consent of West Virginia Water Development Authority

Bond Ordinances and Supplemental Resolutions of Prior Bonds

CSX Permit, and West Virginia Division of Highways Permit

Evidence of Insurance

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "The City of Williamstown." The Issuer is a municipal corporation in Wood County and is presently existing under the laws of, and is a political subdivision of, the State of West Virginia. The governing body of the Issuer is its council, consisting of a Mayor and four (4) councilmembers, all duly elected or appointed, as applicable, qualified and acting, and whose names and dates of commencement and termination of current terms of office are as follows:

<u>Name</u>	<u>Position</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Jean Ford	Mayor	July 1, 2014	June 30, 2016
Martin Seufer	Councilmember	July 1, 2014	June 30, 2018
Gene Duncan	Councilmember	July 1, 2012	June 30, 2016
Barbara Lewis	Councilmember	July 1, 2012	June 30, 2016
Ron Erb	Councilmember	July 1, 2014	June 30, 2018

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

<u>Name</u>	<u>Position</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Jean Ford, Mayor	Chairman	July 1, 2014	July 1, 2016
Jeff DePoy	Member	February 1, 2015	January 31, 2018
Charlie Meyers	Member	February 1, 2015	January 31, 2018
Nick Frank	Member	February 1, 2014	January 31, 2017
Chip Pickering, P.E.	Member	February 1, 2014	January 31, 2017

The duly appointed and acting City Clerk of the Issuer is Susan Knopp. The duly appointed and acting Counsel to the Issuer is C. Blaine Myers, Esquire in Parkersburg, West Virginia.

7. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the acquisition and construction of the Project and the operation and maintenance of the System have been acquired or 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.

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

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

10. LOAN AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light

of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the 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 in the Loan Agreement not misleading; and (iv) the Issuer is in compliance with the Loan Agreement.

11. RATES: The Issuer duly enacted a sewer rate ordinance on October 2, 2012, setting rates and charges for the services of the System. The time for appeal of such sewer rate ordinance has expired prior to the date hereof without any appeal, and such rates are currently effective.

12. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor did officially sign all of the Bonds of the aforesaid issue, consisting upon original issuance of a single Bond, dated the date hereof, by her manual signature, and the undersigned City Clerk did officially cause the official seal of the Issuer to be affixed upon the Bonds and to be attested by her manual signature. The seal impressed upon the Bonds and this certificate is the duly authorized, proper and only seal of the Issuer. The Registrar did officially authenticate, register and deliver the Bonds to a representative of the Authority.

13. BOND PROCEEDS: On the date hereof, the Issuer received \$65,349.00 from the Authority and the DEP, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

14. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in the *Parkersburg News & Sentinel*, a qualified newspaper published and of general circulation in The City of Williamstown, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Bond Ordinance, stating that any person interested may appear on the 15th day of September, 2015, at 7:30 p.m., at the City Hall and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the 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 fully adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

15. PUBLIC SERVICE COMMISSION ORDERS: The Issuer has received all orders and approvals from the Public Service Commission of West Virginia, including the Recommended Decision entered on April 20, 2015, which became the Final Order on May 10, 2015, in Case No. 14-1610-S-CN, among other things, granting the Issuer a certificate of convenience and necessity for the Project and approving the financing for the Project. The time

for appeal of such Final Order has expired on the date hereof. The Issuer hereby certifies that it will not appeal such Order. Such Order remains in full force and effect.

16. SPECIMEN BONDS: The Specimen Bond delivered concurrently herewith is a true and accurate specimen of the Bonds.

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

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

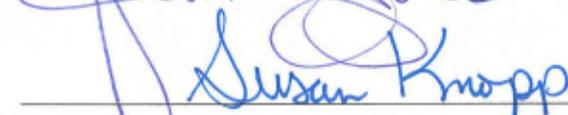
19. CLEAN WATER ACT: The Project as describe in the Bond Ordinance complies with Section 208 and 303(e) of the Clean Water Act.

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

[Remainder of Page Intentionally Left Blank]

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

[SEAL]

SIGNATURE	OFFICIAL TITLE
	Mayor
	City Clerk
	Counsel to the Issuer

**\$336,500**  
**THE CITY OF WILLIAMSTOWN**  
**SEWER REVENUE BONDS, 2015 SERIES A**  
**(WEST VIRGINIA SRF PROGRAM)**

**CERTIFICATE OF ENGINEER**

I, James B. Hildreth, P.E., Registered Professional Engineer, West Virginia License No. 7719, of Boyles and Hildreth Consulting Engineers, Spencer, West Virginia, hereby certify as follows:

1. Our firm is providing engineering services for the acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewerage system (the "System") of The City of Williamstown (the "Issuer"), consisting of replacing a deteriorated 12-inch sanitary sewer line crossing WV Route 14 and the CSX Railroad by boring a new pipe crossing parallel to the existing crossing including 180 linear feet of 12-inch gravity sewer line, 1,000 linear feet of 8-inch gravity sewer line to intercept three additional CSX Railroad crossings, 200 linear feet of 2-inch waterline, 4 manholes and necessary appurtenances to improve sanitary sewer service to existing customers (collectively, the "Project"), to be constructed in Wood County, West Virginia, which Project is being financed in part by the proceeds of the above-captioned revenue (the "Bonds") of the Issuer. Capitalized terms used herein which are not defined herein shall have the same meanings set forth in the Bond Ordinance enacted by the Issuer on September 15, 2015, as supplemented by a Supplemental Resolution adopted by the Issuer on September 15, 2015, and the Loan Agreement dated September 29, 2015 (the "Loan Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP").

2. The Bonds are being issued for the purposes of (i) paying the costs of the acquisition and construction of the Project and (ii) paying the costs of issuance of the Bonds and related costs.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the DEP and any change orders approved by the Issuer, the DEP and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 20 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 the Issuer's counsel, C. Blaine Myers, Esquire, of the firm of Myers Law Offices, dated of even date herewith, all successful bidders have made required provisions for all insurance and payment and performance

bonds and such insurance policies or binders and such bonds will be verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain the critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained 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 the operation of the System; (ix) in reliance upon the certificate of Rodman Lowe, CPA, of Bassett & Lowe, an independent certified public accountant, as of the effective date thereof, the rates and charges for the System as adopted by the Issuer and filed with the Public Service Commission of West Virginia 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, are sufficient to pay the costs of the construction of the Project approved by the DEP; (xi) the successful bidders have provided the Drug-Free Workplace Affidavit as evidence of the Vendor's compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code; and (xii) 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.

[Remainder of Page Intentionally Left Blank]

WITNESS my signature and seal on this 30<sup>th</sup> day of September, 2015.

BOYLES AND HILDRETH  
CONSULTING ENGINEERS

[SEAL]



---

James B. Hildreth, P.E.  
West Virginia License No. 7719

7600112 (20623.1)

EXHIBIT A

Schedule B

WV DEP  
**SCHEDULE B --TOTAL PROJECT**  
 CITY OF WILLIAMSTOWN  
 SEWER PROJECT - JDC #2013S-1439

**COST OF PROJECT, SOURCES OF FUNDS AND COST OF FINANCING**

A. Cost of Project	Total	WVDEP CWSRF Loan
1. Construction		
a. Contract 1	\$ 209,222.00	\$ 209,222.00
b. Unforeseen Construction Site Conditions	\$ 20,780.00	\$ 20,780.00
c. Construction Contingency	\$ 10,461.00	\$ 10,461.00
2. Technical Services		
a. Basic Services	\$ 20,000.00	\$ 20,000.00
b. Special Services	\$ 12,187.00	\$ 12,187.00
c. RPR Services	\$ 20,000.00	\$ 20,000.00
3. Legal & Fiscal		
a. Legal - Local & PSC	\$ 7,500.00	\$ 7,500.00
c. Accounting	\$ 6,000.00	\$ 6,000.00
d. Project Coordinator	\$ 13,000.00	\$ 13,000.00
4. Sites and Other Lands		
a. Sites and Lands	\$ -	\$ -
b. Right-of-way Activities	\$ -	\$ -
5. Miscellaneous		
a. Permits	\$ 6,850.00	\$ 6,850.00
8. Total of Lines 1 through 7	\$ 326,000.00	\$ 326,000.00
<b>B. Cost of Financing</b>		
9. Capitalized Interest	\$ -	\$ -
10. Other Costs		
a. Bond Counsel	\$ 10,000.00	\$ 10,000.00
b. Bank Registrar Fee	\$ 500.00	\$ 500.00
c. Funded Reserve	\$ -	\$ -
11. Total Cost of Financing	\$ 10,500.00	\$ 10,500.00
12. Total Project Cost (line 8 plus line 11)	\$ 336,500.00	\$ 336,500.00
<b>C. Sources of Funds</b>		
13. Federal Grants:	\$ -	\$ -
14. State Grants	\$ -	\$ -
15. Other Grants	\$ -	\$ -
16. Total of Sources	\$ -	\$ -
17. Size of Bond Issue	\$ 336,500.00	\$ 336,500.00

Signature of Authorized Representative

Date

# LOWE & ASSOCIATES, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

1156 SOUTH MAIN STREET

MILTON, WEST VIRGINIA 25541

Phone: (304) 743-5573 FAX: (304) 743-1150

e-mail: [rloew@lowecpas.com](mailto:rloew@lowecpas.com)

September 30, 2015

## ACCOUNTANT'S CERTIFICATE

The City of Williamstown  
Sewer Revenue Bonds, 2015 Series A  
(West Virginia SRF Program)

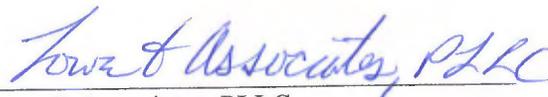
The City of Williamstown  
Williamstown, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

West Virginia Division of Environmental Protection  
Charleston, West Virginia

Based upon the sewer rates of The City of Williamstown (the "Issuer"), adopted by the City Council of the Issuer on October 2, 2012, it is my opinion that such rates and charges are sufficient to provide revenues which, together with other revenues of the sewerage system (the "System") of the Issuer, will (i) 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 on the Sewer Revenue Bonds, 2015 Series A (West Virginia SRF Program) to be issued in an original principal amount of \$336,500 (the "2015 A Bonds") and all other obligations secured by or payable from such revenues, including the Issuer's: (a) Sewerage System Revenue Bonds, Series 1987 A, dated June 25, 1987, issued in the original aggregate principal amount of \$15,551 (the "1987 A Bonds"); (b) Sewerage System Revenue Bonds, Series 1987 B, dated June 25, 1987, issued in the original aggregate principal amount of \$169,539 (the "1987 B Bonds"); (c) Sewerage System Revenue Bonds, Series 1987 A1, dated June 25, 1987, issued in the original aggregate principal amount of \$659,637 (the "1987 A-1 Bonds"); (d) Sewer Revenue Bonds, Series 2005 A (West Virginia SRF Program), dated June 2, 2005, issued in the original aggregate principal amount of \$230,282 (the "2005 A Bonds"); and (e) Sewer Revenue Bonds, Series 2009 (West Virginia SRF Program), dated December 9, 2009, issued in the original aggregate principal amount of \$800,000 (the "2009 Bonds," and collectively with the 1987 A Bonds, the 1987 B Bonds, the 1987 A-1 Bonds and the 2005 A Bonds, the "Prior Bonds").

It is further my 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 2015 A 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 the 2015 A Bonds are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for the principal of and interest, if any, on the Prior Bonds and the 2015 A Bonds.



Lowe & Associates, PLLC

[Reserved]

\$336,500  
THE CITY OF WILLIAMSTOWN  
SEWER REVENUE BONDS, 2015 SERIES A  
(WEST VIRGINIA SRF PROGRAM)

CERTIFICATE AS TO USE OF PROCEEDS

On this 30th day of September, 2015, the undersigned Mayor of The City of Williamstown, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of \$336,500 The City of Williamstown Sewer Revenue Bonds, 2015 Series A (West Virginia SRF Program) (the "Bonds"), hereby certifies 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. All capitalized words and terms used in this Certificate and not otherwise defined herein shall have the same meaning set forth in the Bond Ordinance duly enacted by the Issuer on September 15, 2015, as supplemented by a Supplemental Resolution duly adopted by the Issuer on September 15, 2015 (collectively, the "Bond Ordinance").

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 September 30, 2015, the date on which the Bonds are being physically delivered in exchange for an initial advance of \$65,349.00, being a portion of the principal amount of the Bonds, with the balance to be advanced to the Issuer as acquisition and construction of the Project (as hereinafter defined) progresses. 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 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") on behalf of the West Virginia Department of Environmental Protection (the "DEP"), 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 18, 2015 to the Authority, pursuant to a Loan Agreement dated June 18, 2015, between the Issuer and the Authority, on behalf of the DEP, for an aggregate purchase price of \$336,500, being the par value thereof, at which time the Issuer received \$65,349.00 from the Authority and the DEP, being more than a de minimus

amount of the principal of the Bonds. No accrued interest has been or will be paid on the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Bonds are being delivered simultaneously with the delivery of this certificate, and are being issued for the purposes of (i) paying the costs of acquisition, construction and equipping of certain additions, extensions, betterments and improvements to the existing public sewerage facilities of the Issuer and all necessary appurtenant facilities (the "Project"); and (ii) paying certain costs of issuance of the Bonds and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the 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 January 31, 2016. The acquisition and construction of the Project is expected to be completed by February 29, 2016.

8. The total cost of the Project (including all costs of issuance of the Bonds) is estimated at \$336,500. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Bonds	<u>\$ 336,500</u>
Total Sources	\$ 336,500

USES

Cost of Acquisition and Construction of the Project	\$ 326,000
Costs of Issuance of the Bonds	<u>10,500</u>
Total Uses	\$ 336,500

9. Pursuant to Article IV of the Bond Ordinance, the following special funds or accounts have been created or continued if previously established by the Prior Resolutions, relative to the Bonds:

- (1) Revenue Fund (established by the Prior Ordinances);
- (2) Renewal and Replacement Fund (established by the Prior Ordinances as the Sewerage System Depreciation Fund);
- (3) 2015 Series A Bonds Construction Trust Fund;

- (4) 2015 Series A Bonds Sinking Fund; and
- (5) 2015 Series A Bonds Reserve Account.

10. Pursuant to Article V of the Bond Ordinance, the proceeds of the Bonds will be deposited in the 2015 Series 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. Monies held in the 2015 Series A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on monies in the 2015 Series A Bonds Reserve Account (if equal to the 2015 A Bonds Reserve Requirement) will be withdrawn therefrom, not less than once a year, will be deposited 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 five (5) months of the date hereof.

13. The Issuer will take such steps to ensure that the Bonds meet the requirements of the Code.

14. With the exception of the amount deposited in the 2015 Series A Bonds Sinking Fund for payment of interest, if any, on the Bonds and the amount on deposit in the 2015 Series A Bonds Reserve Account, if any, it is anticipated that all of the proceeds of the Bonds will be expended on the Project within six (6) months from the date of issuance thereof.

15. 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.

16. 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.

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

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

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

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

21. The Bonds are not federally guaranteed.

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

23. The Issuer has created the 2015 Series A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such 2015 Series A Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Monies in the 2015 Series A Reserve Account and the 2015 Series A Sinking Fund will be used solely to pay principal and interest on the Bonds and will not be available to pay costs of the Project.

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

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

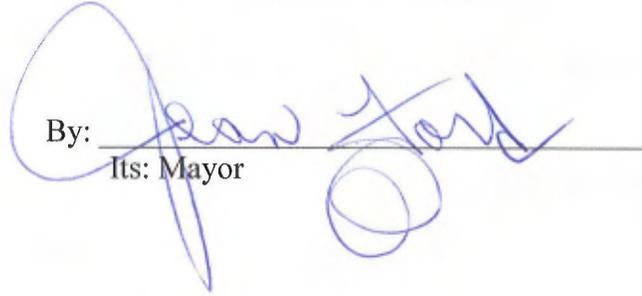
26. The Issuer will comply with instructions as may be provided by the Authority, at any time, regarding use and investment of proceeds of the Bonds, rebates and rebate calculations.

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

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WITNESS my signature, dated as of the day and year first written above.

THE CITY OF WILLIAMSTOWN

By:  \_\_\_\_\_  
Its: Mayor

**THE CITY OF WILLIAMSTOWN  
POST-ISSUANCE COMPLIANCE POLICY**

Adopted: September 15, 2015

This Post-Issuance Compliance Policy (this “Policy”) is being adopted by The City of Williamstown (the “City”) in order to promote compliance by the City with the requirements of federal and state law and the covenants in its bond documents that apply following the issuance of Bonds (as hereinafter defined) by or on behalf of the City. For purposes of this policy, the term “Bonds” means any obligations of the City incurred for the purpose of borrowing money, including, without limitations, bonds, notes and lease-purchase agreements.

**ARTICLE I  
PURPOSE AND SCOPE OF POLICY**

1.1 This Policy documents practices and describes various procedures and systems to maximize the likelihood that all applicable post-issuance compliance requirements related to Bonds issued by or on behalf of the City are followed. As an issuer and/or obligor of Bonds, the City is required by the terms of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended from time to time, and including the regulations promulgated thereunder (collectively, the “Code”), to take certain actions after the issuance of Bonds to maintain their continuing tax-exempt status. Further, this Policy is intended to manage and mitigate risk associated with the terms, conditions and agreements contained in all documents governing indebtedness of the City (collectively, “Debt Documents”) and to assist the City in complying with the covenants and restrictions contained in Debt Documents.

1.2 The City reserves the right to use its discretion as necessary and appropriate to make exceptions or request additional provisions as circumstances warrant. The City also reserves the right to amend this Policy from time to time.

**ARTICLE II  
RESPONSIBILITIES AND PROCEDURES**

2.1 Oversight. The Mayor of the City and the City Council shall bear responsibility for oversight of this Policy. The City Council shall receive quarterly updates from the Compliance Officer identified below regarding compliance with this Policy.

2.2 Compliance Officer. The Clerk of the City (the “Compliance Officer”) is responsible for maintaining this Policy and reporting at least quarterly to the Mayor and City Council.

2.3 Violation of Policy. Promptly upon obtaining knowledge of any violation of or noncompliance with this Policy, the Compliance Officer shall notify the Mayor and City Council and take all necessary or appropriate actions to remedy such noncompliance in a timely manner.

2.4 Training. The Compliance Officer shall be provided with training adequate for purposes of this Policy. For the five years following adoption of this Policy, such training shall be repeated at least annually, and thereafter, training shall occur periodically and any new staff shall be trained as appropriate. The annual training shall include a complete review of this Policy and changes in federal tax law. The Compliance Officer may contract with an experienced, independent third party for this training.

2.5 External Advisors. The Compliance Officer shall consult with bond counsel and other legal counsel and advisors, as needed, when issuing Bonds and following the issuance of Bonds to identify compliance requirements.

### **ARTICLE III FEDERAL TAX LAW COMPLIANCE**

3.1 Allocation of Proceeds. All expenditures of tax-exempt bond proceeds must be tracked until the bond proceeds are spent. For purposes of Private Use (as hereinafter defined) and rebate analysis, the Compliance Officer shall identify and monitor the allocation of the expenditures (e.g. to facilities, equipment, cost, etc.) and timing of the expenditures in compliance with all applicable Internal Revenue Service (“IRS”) requirements. Documents should be retained, in accordance with Article V, to evidence the allocation of bond proceeds. These documents include, but are not limited to, requisitions, draw schedules, draw requests, invoices, cancelled checks, construction or purchase contracts. In addition, documents evidencing pre-issuance expenditures that are reimbursed with bond proceeds should be retained, along with any corresponding reimbursement resolution. For purposes of this Policy, “Private Use” means the use of bond-financed property in a trade or business by any person other than a state or local government entity or in an unrelated trade or business.

3.2 Private Use of Bond-Financed Facilities. The Compliance Officer shall consult with bond counsel before entering into any agreement or other arrangement for the sale, lease, management or use of Bond-financed property, including without limitation, service, vendor or management contracts, leases, research agreements, licenses to use Bond-financed property, agreements granting special rights or entitlements to any private party or naming rights agreements. Further, the Compliance Officer shall confer at least annually with City employees responsible for Bond-financed assets to identify and discuss any existing or planned use of Bond-financed assets, to determine that those uses are consistent with all covenants and restrictions set forth in a tax certificate relating to applicable Bonds. To the extent that the Compliance Officer discovers that any applicable tax restrictions regarding use of Bond proceeds and Bond-financed assets will or may be violated, the Compliance Officer shall consult promptly with bond counsel and other legal counsel and advisors to determine a course of action to remediate all nonqualified bonds, if such counsel advises that a remedial action is necessary.

3.3 Arbitrage and Rebate.

(a) In general, arbitrage arises when tax-exempt bond proceeds are invested and the yield on the investments is greater than the yield on the bonds. The Code contains two separate sets of requirements relating to arbitrage, yield restriction and

rebate, which must be compiled with to ensure that tax-exempt bonds do not lose their tax-exempt status.

(b) The investment of tax-exempt bond proceeds must be tracked and diligently reviewed by the Compliance Officer until all of the proceeds are spent. The tax regulations include yield restriction rules, which limit the yield at which the proceeds may be invested. Generally, yield restricted investments must not be invested at a yield “materially higher” than the yield on the tax-exempt bonds.

(c) If the yield restriction rule is violated, then the City must rebate to the IRS a “rebate amount” that is calculated with respect to the bond proceeds. The rebate amount is equal to the yield on certain investments purchased with the proceeds of the bonds in excess of the yield on the bonds, plus all income attributable to the excess. Rebates must be made to the federal government within sixty (60) days after the end of every fifth bond year and within sixty (60) days after the last bond is redeemed. Detailed records of any transactions that may have an effect on either the yield on the bonds or the yield on the investments should be maintained. The City shall be responsible for determining whether any arbitrage rebate calculations need to be performed. If it is determined that such calculations are or are likely to be required, the City shall engage expert advisors (each, a “Rebate Service Provider”) to assist in the arbitrage calculation, or shall determine that it has adequate financial, accounting and legal resources of its own to make such calculations. The City shall make any rebate payments required on a timely basis.

(d) The rebate requirements with respect to a construction bond issue will be deemed to be satisfied if all “available construction proceeds” are allocated as follows (measured from the date of the issuance of the bonds): (i) at least 10% within six (6) months, (ii) at least 45% within twelve (12) months, (iii) at least 75% within eighteen (18) months and (iv) 100% within twenty-four (24) months. These are subject to certain exceptions, including that bonds do not fail to satisfy the spending requirement for the fourth spend-down period (i.e., 100% within two (2) years of the Issue Date) if the only unspent available construction proceeds are amounts for Reasonable Retainage<sup>1</sup> if such amounts (together with all earnings on such amounts) are allocated to expenditures within three (3) years of the Issue Date. The City will seek to comply with these exceptions for all bond issuances involving construction proceeds.

3.4 Post-Issuance Modifications. The Compliance Officer shall consult with bond counsel before making any modifications or amendments to the bond documents for a bond issue, including without limitation, entering into or modifying investment agreements; making any change in security for Bonds; engaging in post-issuance credit enhancement transactions

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<sup>1</sup> “Reasonable Retainage” means an amount, not to exceed 5% of the net sale proceeds of the issue that is retained for reasonable business purposes relating to the property financed with proceeds of the issue. For example, Reasonable Retainage may include a retention to ensure or promote compliance with a construction contract in circumstances in which the retained amount is not yet payable, or in which the City reasonably determines that a dispute exists regarding completion or payment.

(e.g., bond insurance or letter of credit) or hedging transactions; terminating or appointing successor trustees; releasing any liens; or reissuing or refunding Bonds.

3.5 Remediation. Adherence to this Policy will enable the City to identify violations of federal tax-exempt bond requirements in a timely manner. Whenever anyone identifies a potential violation of a federal tax requirement, a change in use of equipment or a facility financed with tax-exempt debt that may result in Private Use or a violation of this Policy, that person should immediately notify the Compliance Officer. The Compliance Officer will determine whether it is in fact a violation and, if so, will work with bond counsel to determine whether there are any feasible remedial actions available under applicable regulations. If the City determines or is advised that corrective action is necessary with respect to any issue of Bonds, the City will in a timely manner: (i) take remedial actions described under Section 1.141-12 of the Code, (ii) seek to enter into a closing agreement with the IRS pursuant to the Tax-Exempt Bonds Voluntary Closing Agreement Program (“VCAP”) or (iii) take such other actions as recommended by bond counsel. If no self-remediation actions are available or desirable, the Compliance Officer in consultation with bond counsel will disclose non-compliance and attempt to negotiate a closing agreement with the IRS under VCAP.

#### **ARTICLE IV DEBT COMPLIANCE**

4.1 Compliance Officer Responsibilities. The Compliance Officer is responsible for familiarizing herself or himself with the covenants, notice requirements and default provisions in all Debt Documents and shall take the actions identified below. The Compliance Officer shall report all actions taken under this Policy to the Board.

(a) The Compliance Officer is responsible for complying with all notice and reporting requirements contained in the Debt Documents, and the Compliance Officer shall maintain:

- (i) A calendar of reporting dates under all outstanding Debt Documents;
- (ii) A checklist of reporting requirements under all Debt Documents in summary fashion;
- (iii) A list of notice requirements under all Debt Documents; and
- (iv) On a current basis a comprehensive detail of all defaults and events of defaults under all Debt Documents.

(b) In the event the Compliance Officer determines that a default has occurred, the Compliance Officer shall report such default to the Board as soon as practicable and provide an explanation of the events creating such default and how such default has been remedied or will be remedied.

## **ARTICLE V DOCUMENT RETENTION**

5.1 Record retention is essential to supporting tax deductions, credits and exclusions. All records should be retained until they are no longer material to any series of tax-exempt bonds or tax filing. Records relating to a tax-exempt bond issuance should be kept for as long as the bonds are outstanding, plus three years after the final redemption date of the bonds or any bonds issued to refund the bonds. The record retention period begins with the date of the original issuance of the bonds that have been refunded.

5.2 The Compliance Officer is responsible for seeing that the required documents are compiled and retained. The decision regarding whether a particular document must be retained should be made on a case-by-case basis. Generally, the IRS has indicated that documents that should be retained include, but are not limited to:

- (a) Basic financing documents from each bond transaction, including bond indentures, loan agreements, bond counsel opinion, tax agreements, and a copy of the bond transcript;
- (b) Bond expenditure and allocation documentation, including requisition forms, trustee statements and any other documents describing how tax-exempt bond proceeds have been allocated;
- (c) Documentation demonstrating the use of tax-exempt bond-financed property by public and private sources, including management and service contracts, research agreements, and leases;
- (d) Documentation generated during the compliance process, such as floor plans, questionnaires and spreadsheets;
- (e) Documentation of all sources of payment or security for bonds; and
- (f) Documentation of investment of bond proceeds, including purchase and sale of securities, SLGs subscriptions, yield calculations for each investment class, actual investment income received from the investment of proceeds, guaranteed investment contracts, and rebate calculations.

5.3 Because records must be retained until they are no longer material, the City may choose to maintain electronic copies. Electronic records are permissible as long as they comply with Revenue Procedure 97-22, 1997-1 C.B. Section 4.01 of Revenue Procedure 97-22 provides the general requirements for an electronic storage system and the City shall adhere to all such requirements to the extent the City elects to maintain electronic records.

**ARTICLE VI  
MISCELLANEOUS**

6.1 Nothing contained in this Policy shall be deemed to be a covenant, agreement or obligation of an officer, employee, member of Council, or agent of the City in his or her individual capacity, and no such person shall incur any personal liability with respect to any action taken by him or her pursuant to this Policy, provided he or she acts in good faith.

6.2 This Policy is for the sole benefit of the City. It is not to be relied upon by any third parties and does not create in, or grant to, any third parties rights, claims or privileges.

# State of West Virginia



## Certificate

*I, Natalie E. Tennant, 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 2015 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  
September 14, 2015*

*Natalie E. Tennant*  
Secretary of State

**ARTICLE 13**  
**SEWAGE WORKS OF MUNICIPAL CORPORATIONS**  
**AND SANITARY DISTRICTS**

**Section**

- 16-13-1. Acquisition, operation, etc., of works; acquisition of property; issuance of bonds.
- 16-13-2. Sanitary board to supervise and control construction, etc., of works; appointment of board; definitions.
- 16-13-3. Powers of sanitary board; contracts; employees; compensation thereof; extensions and improvements; replacement of damaged public works.
- 16-13-4. Payment of preliminary expenses of surveys, etc.
- 16-13-5. Ordinance necessary before acquisition or construction of works.
- 16-13-6. Publication and hearing upon ordinance.
- 16-13-7. Acquisition by condemnation or purchase.
- 16-13-8. Cost of works.
- 16-13-9. Contracts and obligations incurred to be paid for solely by revenue bonds.
- 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.
- 16-13-11. Additional bonds to extend or improve works.
- 16-13-12. Additional bonds for extension, etc., of works to have equal priority with original bonds.
- 16-13-13. Application of revenue from bonds; lien.
- 16-13-14. Securing bonds by trust indenture.
- 16-13-15. Sinking fund; transfer of balance of net revenues.
- 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.
- 16-13-17. Government units subject to established rates.
- 16-13-18. Supervision of works by sanitary board; organization of board; qualifications, terms and compensation of members.
- 16-13-18a. Publication of financial statement.
- 16-13-19. Contract with other municipalities for service of works; powers of lessee as to rates; intercepting sewers.
- 16-13-20. Discharge of lien on property acquired.
- 16-13-21. Action on certificates or attached coupons; receivers.
- 16-13-22. Powers conferred in addition to existing powers; jurisdiction outside corporate limits.
- 16-13-22a. Grants, loans and advances.
- 16-13-22b. Contracts for abatement of pollution.
- 16-13-22c. Refunding bonds.
- 16-13-22d. Subordination of bonds.
- 16-13-22e. Operating contract.
- 16-13-22f. Exemption of bonds from taxation.
- 16-13-22g. Covenants with bondholders.
- 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.
- 16-13-23a. Additional powers of municipality upon receipt of order to cease pollution.
- 16-13-24. Article to be construed liberally.

**MUNICIPAL & SANITARY DISTRICT SEWAGE WORKS § 16-13-1**

**§ 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, 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.

Acts 1933, Ex. Sess., c. 25, § 1; Acts 1955, c. 132; Acts 1986, c. 118; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

**Library References**

Municipal Corporations ⇨ 270, 708, 711, 950.  
Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 1535; 1708 to 1709.

**Notes of Decisions**

- Construction and application** 1
- Jurisdiction** 7
- Police power** 3
- Power to incur indebtedness and expenditures** 6
- Public improvements** 5
- Regulation of public utilities** 2
- Revenue bonds for construction** 4

**1. Construction and application**

Statutes dealing with municipally owned and operated sewer systems should be read and construed together. Code, 8-4-20, 16-13-1, 16-13-2, 16-13-16, 24-1-1 et seq., 24-2-1 et seq., 24-3-1 et seq. *Delardas v. Morgantown Water Commission*, 1964, 137 S.E.2d 426, 148 W.Va. 776. Statutes ⇨ 223.2(21)

Statutes relating to supervision and regulation of public utilities by Public Service Commission and statute dealing with municipally owned sewer systems relate to the same subject and should be read and construed together. Code, 16-13-1 et seq., 24-1-1 et seq. State ex rel. *City of Wheeling v. Renick*, 1960, 116 S.E.2d 763, 145 W.Va. 640. Statutes ⇨ 223.2(27)

**2. Regulation of public utilities**

Under West Virginia Act authorizing municipalities to construct sewage collection systems and sewage treatment plants and to issue revenue bonds to pay cost thereof, money used in preliminary engineering work prior to actual beginning of construction of sewage disposal system is not required to be handled by sanitary board, but board is merely required to supervise and control the construction and maintenance of the project. Code W.Va. 16-13-16, 16-13-18, 16-13-32. *U.S. v. City of Charleston*, 1957, 149 F.Supp. 866. Health ⇨ 369

Under statute declaring that words "public utility" shall include any person or persons, or association of persons including municipalities, engaged in any business which is a public service, sewer system owned and operated by city was a "public utility" and Public Service Commission was vested with jurisdiction to supervise or regulate municipal sewer system and to hear proceeding seeking extension of sewer ser-

vices, and power of Commission to supervise and regulate sewer system was not withdrawn or impaired by statutes authorizing municipal corporation to own, construct and maintain sewer system under control of a Sanitary Board and authorizing Board to operate and control such systems and to order and complete any extensions that Board might deem expedient. Code, 16-13-1 et seq., 16-13-2, 16-13-3, 16-13-5, 16-13-16, 16-13-18, 16-13-23, 24-1-1, 24-2-1, 24-3-1. State ex rel. *City of Wheeling v. Renick*, 1960, 116 S.E.2d 763, 145 W.Va. 640. Public Utilities ⇨ 113

Public Service Commission has statutory power and authority to control facilities, charges and services of all public utilities, and to hear complaints of persons entitled to services which such utilities afford, subject only to limitation that the requirements shall not be contrary to law and that they be just and fair, just and reasonable, and just and proper. Code, 16-13-1 et seq., 24-1-1 et seq. State ex rel. *City of Wheeling v. Renick*, 1960, 116 S.E.2d 763, 145 W.Va. 640. Public Utilities ⇨ 114; Public Utilities ⇨ 119.1

**3. Police power**

Statute delegating to municipal corporation power by ordinance to create sanitary boards and authorizing such sanitary boards to enter into contracts for construction of sewerage systems is a valid exercise of police power of state. Code, 16-13-1 et seq. *West Virginia Water Service Co. v. Cunningham*, 1957, 98 S.E.2d 891, 143 W.Va. 1. Constitutional Law ⇨ 2437; Health ⇨ 358

Legislature may delegate police power to cities or counties, as it sees fit. *Brewer v. City of Point Pleasant*, 1934, 172 S.E. 717, 114 W.Va. 572. Constitutional Law ⇨ 2437; Constitutional Law ⇨ 2438

**4. Revenue bonds for construction**

Plan of preparation expense in construction of municipal sewage treatment and disposal system constituted one of first items of expense incurred and constituted a liability, according to agreements between municipality and Federal Works Agency which advanced money to meet such expense, from moment construction be-

## MUNICIPAL & SANITARY DISTRICT SEWAGE WORKS § 16-13-2

gan, and, therefore, repayment of such advancements from proceeds of future revenue bond issues could not be held unlawful on ground that such payment would impair bondholders' security. Code W.Va. 16-13-16, 16-13-18, 16-13-22, 16-13-32; War Mobilization and Reconversion Act of 1944, § 101 et seq., 58 Stat. 785. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations ⇨ 950(15)

In action to cancel certain sewer revenue bonds issued by West Virginia City and to enjoin collection of sewerage service charges assessed for the purpose of liquidating such bonds, District Court was bound by decisions of Supreme Court of Appeals of West Virginia upholding the constitutionality of statute permitting municipalities to issue bonds for self-liquidating municipal projects. Laws W.Va.1933, 1st Ex.Sess., c. 25, as amended by Laws W.Va. 1933, 2nd Ex.Sess., c. 48. *Stevenson v. City of Bluefield*, 1941, 39 F.Supp. 462. Federal Courts ⇨ 433

City located on or near state boundary and confronted with necessity of purchasing property and erecting sewage disposal plant in adjoining state held authorized under statute to issue revenue bonds payable solely from revenues of such plant. Acts 1933, 1st Ex.Sess., c. 25, as amended by Acts 1933, 2d Ex.Sess., c. 48. *Bernard v. City of Bluefield*, 1936, 186 S.E. 298, 117 W.Va. 556. Municipal Corporations ⇨ 919

### 5. Public improvements

Under contract between municipal sanitary board and contractor requiring contractor to bear cost and expense of damage to surface, overhead or subsurface structures in construction of sanitary sewer system, contractor was

liable to water company for expense of removal of all water and other pipes under streets which interfered with construction of sewer system. Code, 16-13-1 et seq., 16-13-17, 16-13-24. *West Virginia Water Service Co. v. Cunningham*, 1957, 98 S.E.2d 891, 143 W.Va. 1. Municipal Corporations ⇨ 400

### 6. Power to incur indebtedness and expenditures

Obligations incurred by city under authority of West Virginia statute authorizing municipalities to construct sewage collection systems and sewage treatment plants and to issue revenue bonds to pay the cost thereof are not "debts" within provision of West Virginia Constitution containing limitations on power of a municipality to incur debts. Code W.Va. 11-8-26(1-4); 16-13-15, 16-13-16, 16-13-18, 16-13-19, 16-13-22, 16-13-27, 16-13-32; Const. art. 10, § 8. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations ⇨ 864(3)

### 7. Jurisdiction

Taxpayers of a city seeking to enjoin collection by city of sewerage service charges assessed for purpose of liquidating bonds issued for construction of sewerage system could not invoke jurisdiction of federal court on ground that by reason of prior decisions of state court upholding validity of statute, under which bonds were issued and rates assessed, plaintiffs did not have a plain, speedy and efficient remedy in state court within meaning of Judicial Code. Laws W.Va.1933, 1st Ex.Sess., c. 25, as amended by Laws W.Va.1933, 2nd Ex.Sess., c. 48; Jud.Code, § 24(1), 28 U.S.C.A. § 1312. *Stevenson v. City of Bluefield*, 1941, 39 F.Supp. 462. Federal Courts ⇨ 7; Federal Courts ⇨ 26.1

## § 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 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 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.

Acts 1933, Ex. Sess., c. 25, § 2; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

**Library References**

Health ☞369.  
Municipal Corporations ☞711.  
Westlaw Topic Nos. 198H, 268.

C.J.S. Health and Environment §§ 7 to 9, 16 to 17, 26 to 27, 44 to 45, 98 to 100.  
C.J.S. Municipal Corporations § 1535.

**Notes of Decisions**

**Construction and application** 1  
**Construction of sewer systems** 3  
**Public utilities** 2

Commission, 1964, 137 S.E.2d 426, 148 W.Va. 776. Statutes ☞ 223.2(21)

**2. Public utilities**

1. **Construction and application**  
Statutes dealing with municipally owned and operated sewer systems should be read and construed together. Code, 8-4-20, 16-13-1, 16-13-2, 16-13-16, 24-1-1 et seq., 24-2-1 et seq., 24-3-1 et seq. Delardas v. Morgantown Water

All contracts made by a utility relating to the public service must be deemed to be entered into in contemplation of the exercise by the state of its regulatory power whenever the public interest may make it necessary. Berkeley County Public Service Sewer Dist. v. West Vir-

## MUNICIPAL & SANITARY DISTRICT SEWAGE WORKS § 16-13-3

ginia Public Service Com'n, 1998, 512 S.E.2d 201, 204 W.Va. 279. Public Utilities ⇌ 115

Under statute declaring that words "public utility" shall include any person or persons, or association of persons including municipalities, engaged in any business which is a public service, sewer system owned and operated by city was a "public utility" and Public Service Commission was vested with jurisdiction to supervise or regulate municipal sewer system and to hear proceeding seeking extension of sewer services, and power of Commission to supervise and regulate sewer system was not withdrawn or impaired by statutes authorizing municipal corporation to own, construct and maintain sewer system under control of a Sanitary Board and authorizing Board to operate and control such systems and to order and complete any extensions that Board might deem expedient. Code, 16-13-1 et seq., 16-13-2, 16-13-3, 16-13-5, 16-13-16, 16-13-18, 16-13-23, 24-1-1, 24-2-1, 24-3-1. State ex rel. City of Wheeling v. Renick, 1960, 116 S.E.2d 763, 145 W.Va. 640. Public Utilities ⇌ 113

### 3. Construction of sewer systems

Obligations incurred by city under authority of West Virginia statute authorizing municipalities to construct sewage collection systems and sewage treatment plants and to issue revenue bonds to pay the cost thereof are not "debts" within provision of West Virginia Constitution containing limitations on power of a municipality to incur debts. Code W.Va. 11-8-26(1-4); 16-13-15, 16-13-16, 16-13-18, 16-13-19, 16-13-22, 16-13-27, 16-13-32; Const. art. 10, § 8. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations ⇌ 864(3)

If sewer project is undertaken by municipality, whatever loans may have been made on faith of the revenue bonds as authorized under West Virginia law would or should be included in cost of the works and repaid out of proceeds of the bonds. Code W.Va. 11-8-26(1-4); 16-13-15, 16-13-16, 16-13-18, 16-13-19, 16-13-22, 16-13-27, 16-13-32; Const. art. 10, § 8. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations ⇌ 950(15)

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

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

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

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

After the construction, installation, and completion of the works, or the acquisition thereof, the board shall operate, manage and control the same and may order and complete any extensions, betterments and improvements of and to the works that the board may consider expedient, if funds therefor be

available or are made available as provided in this article, and shall establish rules and regulations for the use and operation of the works, and of other sewers, stormwater conduits, and drains connected therewith so far as they may affect the operation of such works, and do all things necessary or expedient for the successful operation thereof, including, but not limited to, those activities necessary to comply with all federal and state requirements, including stormwater and surface runoff water quality improvement activities.

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

Acts 1933, Ex. Sess., c. 25, § 3; Acts 1989, c. 133; Acts 2001, c. 143, eff. 90 days after April 11, 2001; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

#### Historical and Statutory Notes

Acts 2001, c. 143, also amended this section to 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."

#### Library References

Health ☞ 369.  
Westlaw Topic No. 198H.

C.J.S. Health and Environment §§ 7 to 9, 16 to 17, 26 to 27, 44 to 45, 98 to 100.

Notes of Decisions

Independent contractor 3  
 Police power of local authorities 1  
 Validity of municipal contracts 2

city by statute. Code, 16-13-1 et seq. West Virginia Water Service Co. v. Cunningham, 1957, 98 S.E.2d 891, 143 W.Va. 1. Health 358; Health 369

1. Police power of local authorities

Under the police power of the State, the Legislature has the power to provide for the protection of the safety, health, morals and general welfare of the public, and may delegate such powers to municipalities created by it. West Virginia Water Service Co. v. Cunningham, 1957, 98 S.E.2d 891, 143 W.Va. 1. Constitutional Law 2437; Constitutional Law 1066

Under statute delegating to municipal corporations power by ordinance to create sanitary boards and authorizing such boards to enter into contracts for construction of sewerage systems, ordinance creating sanitary board and authorizing such board to enter into contract for construction of sewerage system was valid exercise of police power of state delegated to

2. Validity of municipal contracts

Contract between municipal sanitary board and contractor providing for construction of sanitary sewerage system in furtherance of exercise of police power of state and provisions of city ordinance was valid. West Virginia Water Service Co. v. Cunningham, 1957, 98 S.E.2d 891, 143 W.Va. 1. Municipal Corporations 339(1)

3. Independent contractor

Where city had no right of control over contractor and sanitary board in construction of sanitary sewer system, contractor was "independent contractor". West Virginia Water Service Co. v. Cunningham, 1957, 98 S.E.2d 891, 143 W.Va. 1. Municipal Corporations 400

§ 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.

Acts 1933, Ex. Sess., c. 25, § 4.

**Library References**

Municipal Corporations Ⓒ288.  
 Westlaw Topic No. 268.  
 C.J.S. Municipal Corporations § 969.

**Notes of Decisions**

**Construction planning expenses 2**  
**Power to incur indebtedness and expenditures 1**

**1. Power to incur indebtedness and expenditures**

West Virginia municipalities are authorized to incur obligations for purpose of defraying preliminary expenses of sewer projects, provided repayment of such obligations is to be made solely from proceeds of revenue bonds, not from tax levies. Code W.Va. 11-8-26(1-4); 16-13-15, 16-13-16, 16-13-18, 16-13-19, 16-13-22, 16-13-27, 16-13-32; Const. art. 10, § 8. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations Ⓒ 864(3)

**2. Construction planning expenses**

Plan of preparation expense in construction of municipal sewage treatment and disposal system constituted one of first items of expense incurred and constituted a liability, according to agreements between municipality and Federal Works Agency which advanced money to meet such expense, from moment construction began, and, therefore, repayment of such advancements from proceeds of future revenue bond issues could not be held unlawful on ground that such payment would impair bondholders' security. Code W.Va. 16-13-16, 16-13-18, 16-13-22, 16-13-32; War Mobilization and Reconversion Act of 1944, § 101 et seq., 58 Stat. 785. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations Ⓒ 950(15)

Under West Virginia Act authorizing municipalities to construct sewage collection systems and sewage treatment plants and to issue revenue

bonds to pay cost thereof, money used in preliminary engineering work prior to actual beginning of construction of sewage disposal system is not required to be handled by sanitary board, but board is merely required to supervise and control the construction and maintenance of the project. Code W.Va. 16-13-16, 16-13-18, 16-13-32. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Health Ⓒ 369

United States, which was entitled to reimbursement for advances made to West Virginia city by Federal Works Agency for purpose of plan preparation for construction of proposed sewage treatment and disposal system, would not be entitled to general judgment against city but would be entitled to an order requiring repayment from existing or future revenue bond proceeds and to four percent interest. War Mobilization and Reconversion Act of 1944, § 101 et seq., 58 Stat. 785; Code W.Va. 38-4-5, 38-4-6, 53-1-1. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations Ⓒ 1037

In agreement between West Virginia city and Federal Works Administrator for advances to be used for purpose of plan preparation for construction of proposed sewage treatment and disposal system, parties would be presumed to know extent of city's authority to make a binding contract in such respect, and, therefore, limitation imposed by West Virginia law on city would be read into the agreement. War Mobilization and Reconversion Act of 1944, §§ 101 et seq., 501, 58 Stat. 785, 791; Code W.Va. 11-8-26(1-4); 16-13-15, 16-13-16, 16-13-18, 16-13-19, 16-13-22, 16-13-27, 16-13-32; Const. W.Va. art. 10, § 8. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations Ⓒ 250

**§ 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

## MUNICIPAL & SANITARY DISTRICT SEWAGE WORKS § 16-13-6

cost of the works; and (e) contain such other provisions as may be necessary in the premises.

Acts 1933, Ex. Sess., c. 25, § 5.

### Library References

Municipal Corporations Ⓒ293.

Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 977 to 978.

### Notes of Decisions

#### Power to incur indebtedness and expenditures

1

##### 1. Power to incur indebtedness and expenditures

West Virginia municipalities are authorized to incur obligations for purpose of defraying preliminary expenses of sewer projects, provided repayment of such obligations is to be made solely from proceeds of revenue bonds, not from tax levies. Code W.Va. 11-8-26(1-4); 16-13-15, 16-13-16, 16-13-18, 16-13-19, 16-13-22, 16-13-27, 16-13-32; Const. art. 10, § 8. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations Ⓒ 864(3)

United States, which was entitled to reimbursement for advances made to West Virginia city by Federal Works Agency for purpose of plan preparation for construction of proposed

sewage treatment and disposal system, would not be entitled to general judgment against city but would be entitled to an order requiring repayment from existing or future revenue bond proceeds and to four percent interest. War Mobilization and Reconversion Act of 1944, § 101 et seq., 58 Stat. 785; Code W.Va. 38-4-5, 38-4-6, 53-1-1. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations Ⓒ 1037

If sewer project is undertaken by municipality, whatever loans may have been made on faith of the revenue bonds as authorized under West Virginia law would or should be included in cost of the works and repaid out of proceeds of the bonds. Code W.Va. 11-8-26(1-4); 16-13-15, 16-13-16, 16-13-18, 16-13-19, 16-13-22, 16-13-27, 16-13-32; Const. art. 10, § 8. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations Ⓒ 950(15)

## § 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, 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.

Acts 1933, Ex. Sess., c. 25, § 6; Acts 1967, c. 105; Acts 1981, 1st Ex. Sess., c. 2.

**Library References**

Municipal Corporations ⇨294 to 300.  
Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 979 to 985,  
988 to 1001.

**§ 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, 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 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.

Acts 1933, Ex. Sess., c. 25, § 7.

**Library References**

Municipal Corporations ⇨287.  
Westlaw Topic No. 268.

**§ 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

## MUNICIPAL & SANITARY DISTRICT SEWAGE WORKS § 16-13-9

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.

Acts 1933, Ex. Sess., c. 25, § 8.

### Library References

Municipal Corporations Ⓒ288.  
Westlaw Topic No. 268.  
C.J.S. Municipal Corporations § 969.

### Notes of Decisions

#### Monetary advances 2 Preliminary expenditures 1

##### 1. Preliminary expenditures

Under West Virginia Act authorizing municipalities to construct sewage collection systems and sewage treatment plants and to issue revenue bonds to pay cost thereof, money used in preliminary engineering work prior to actual beginning of construction of sewage disposal system is not required to be handled by sanitary board, but board is merely required to supervise and control the construction and maintenance of the project. Code W.Va. 16-13-16, 16-13-18, 16-13-32. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Health Ⓒ 369

##### 2. Monetary advances

United States, which was entitled to reimbursement for advances made to West Virginia city by Federal Works Agency for purpose of plan preparation for construction of proposed sewage treatment and disposal system, would not be entitled to general judgment against city

but would be entitled to an order requiring repayment from existing or future revenue bond proceeds and to four percent interest. War Mobilization and Reconversion Act of 1944, § 101 et seq., 58 Stat. 785; Code W.Va. 38-4-5, 38-4-6, 53-1-1. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations Ⓒ 1037

Plan of preparation expense in construction of municipal sewage treatment and disposal system constituted one of first items of expense incurred and constituted a liability, according to agreements between municipality and Federal Works Agency which advanced money to meet such expense, from moment construction began, and, therefore, repayment of such advancements from proceeds of future revenue bond issues could not be held unlawful on ground that such payment would impair bondholders' security. Code W.Va. 16-13-16, 16-13-18, 16-13-22, 16-13-32; War Mobilization and Reconversion Act of 1944, § 101 et seq., 58 Stat. 785. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations Ⓒ 950(15)

## § 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.

Acts 1933, Ex. Sess., c. 25, § 9; Acts 1949, c. 93; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

**Library References**

Municipal Corporations ⇨ 870, 911, 950(15). Westlaw Topic No. 268. C.J.S. Municipal Corporations §§ 1573 to 1579, 1581, 1647 to 1649, 1708 to 1709.

**Notes of Decisions**

- Power of municipal corporations to contract 2**
- Power to incur indebtedness and expenditures 3**
- Preliminary expenditures 4**
- Preliminary proceedings and ordinances 5**
- Validity 1**

**1. Validity**

Statute authorizing municipalities to construct and finance self-liquidating sewer systems held constitutional (Acts 1933 [1st Ex.Sess.] c. 25). *Brewer v. City of Point Pleasant*, 1934, 172 S.E. 717, 114 W.Va. 572. Municipal Corporations ⇨ 266

**2. Power of municipal corporations to contract**

Under provisions of statute relating to contract with other municipalities for service of sewage works, city which ordered construction of sewage disposal plant was authorized to contract with town to provide that town would have the right to use part of the capacity of the plant in return for contributing to its cost and town was authorized to enter into such contracts with city for the use of the plant, and fact that town was unable to sell revenue bonds because it was not allowed to have part ownership in the plant or in the interceptor sewers did not mean that town was not liable for payments agreed to under the contracts, where city offered to buy the revenue bonds issued by the town. Code, 16-13-9, 16-13-19, 16-13-23a. *City of Morgantown v. Town of Star City*, 1973, 195 S.E.2d 166, 156 W.Va. 529. Municipal Corporations ⇨ 277

**3. Power to incur indebtedness and expenditures**

Obligations incurred by city under authority of West Virginia statute authorizing municipalities to construct sewage collection systems and sewage treatment plants and to issue revenue bonds to pay the cost thereof are not "debts" within provision of West Virginia Constitution

containing limitations on power of a municipality to incur debts. Code W.Va. 11-8-26(1-4); 16-13-15, 16-13-16, 16-13-18, 16-13-19, 16-13-22, 16-13-27, 16-13-32; Const. art. 10, § 8. *U.S. v. City of Charleston*, 1957, 149 F.Supp. 866. Municipal Corporations ⇨ 864(3)

West Virginia municipalities are authorized to incur obligations for purpose of defraying preliminary expenses of sewer projects, provided repayment of such obligations is to be made solely from proceeds of revenue bonds, not from tax levies. Code W.Va. 11-8-26(1-4); 16-13-15, 16-13-16, 16-13-18, 16-13-19, 16-13-22, 16-13-27, 16-13-32; Const. art. 10, § 8. *U.S. v. City of Charleston*, 1957, 149 F.Supp. 866. Municipal Corporations ⇨ 864(3)

If sewer project is undertaken by municipality, whatever loans may have been made on faith of the revenue bonds as authorized under West Virginia law would or should be included in cost of the works and repaid out of proceeds of the bonds. Code W.Va. 11-8-26(1-4); 16-13-15, 16-13-16, 16-13-18, 16-13-19, 16-13-22, 16-13-27, 16-13-32; Const. art. 10, § 8. *U.S. v. City of Charleston*, 1957, 149 F.Supp. 866. Municipal Corporations ⇨ 950(15)

Where statute authorizing municipalities to issue bonds for self-liquidating municipal project, provided that bonds should not be corporate indebtedness, bonds held not to create "debts" within constitutional inhibition (Acts 1933 [1st Ex.Sess.] c. 25, §§ 9, 10, 16, 21). *Brewer v. City of Point Pleasant*, 1934, 172 S.E. 717, 114 W.Va. 572. Municipal Corporations ⇨ 907

Provisions of statute relating to issuance of municipal bonds constitute integral parts of bonds regardless of whether included therein (Acts 1933 [1st Ex.Sess.] c. 25, §§ 9, 10, 16, 21). *Brewer v. City of Point Pleasant*, 1934, 172 S.E. 717, 114 W.Va. 572. Municipal Corporations ⇨ 923

Statute permitting municipalities to issue bonds for self-liquidating municipal projects held legitimate delegation of legislative power.

## MUNICIPAL & SANITARY DISTRICT SEWAGE WORKS § 16-13-10

Acts 1933, 1st Ex.Sess., c. 25. Brewer v. City of Point Pleasant, 1934, 172 S.E. 717, 114 W.Va. 572. Constitutional Law ⇌ 2437; Municipal Corporations ⇌ 907

### 4. Preliminary expenditures

Under West Virginia Act authorizing municipalities to construct sewage collection systems and sewage treatment plants and to issue revenue bonds to pay cost thereof, money used in preliminary engineering work prior to actual beginning of construction of sewage disposal system is not required to be handled by sanitary board, but board is merely required to supervise and control the construction and maintenance

of the project. Code W.Va. 16-13-16, 16-13-18, 16-13-32. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Health ⇌ 369

### 5. Preliminary proceedings and ordinances

Provision of sewer ordinance declaring that statutory mortgage lien should exist in favor of bondholders violated statute permitting municipalities to construct self-liquidating sewer systems, but declaration could be regarded as surplusage and did not affect validity of remainder of ordinance (Acts 1933 [1st Ex.Sess.] c. 25). Brewer v. City of Point Pleasant, 1934, 172 S.E. 717, 114 W.Va. 572. Municipal Corporations ⇌ 303(4)

## § 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 percent 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.

Acts 1933, Ex. Sess., c. 25, § 10; Acts 1970, c. 11; Acts 1980, c. 33; Acts 1981, 1st Ex. Sess., c. 2.

**Library References**

Municipal Corporations §922, 950(15).  
Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 1684 to  
1686, 1697, 1708 to 1709.

**§ 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.

Acts 1933, Ex. Sess., c. 25, § 11.

**Library References**

Municipal Corporations §911, 950(15).  
Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 1647 to  
1649, 1708 to 1709.

**§ 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.

Acts 1933, Ex. Sess., c. 25, § 12.

## MUNICIPAL & SANITARY DISTRICT SEWAGE WORKS § 16-13-14

### Library References

Municipal Corporations ⇨911, 950(15).  
Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 1647 to  
1649, 1708 to 1709.

### § 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 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.

Acts 1933, Ex. Sess., c. 25, § 13.

### Library References

Municipal Corporations ⇨911, 950(15).  
Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 1647 to  
1649, 1708 to 1709.

### Notes of Decisions

#### Preliminary expenditures 1 Repayment of loans 2

##### 1. Preliminary expenditures

Under West Virginia Act authorizing municipalities to construct sewage collection systems and sewage treatment plants and to issue revenue bonds to pay cost thereof, money used in preliminary engineering work prior to actual beginning of construction of sewage disposal system is not required to be handled by sanitary board, but board is merely required to supervise and control the construction and maintenance of the project. Code W.Va. 16-13-16, 16-13-18, 16-13-32. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Health ⇨ 369

##### 2. Repayment of loans

If sewer project is undertaken by municipality, whatever loans may have been made on faith of the revenue bonds as authorized under West

Virginia law would or should be included in cost of the works and repaid out of proceeds of the bonds. Code W.Va. 11-8-26(1-4); 16-13-15, 16-13-16, 16-13-18, 16-13-19, 16-13-22, 16-13-27, 16-13-32; Const. art. 10, § 8. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations ⇨ 950(15)

United States, which was entitled to reimbursement for advances made to West Virginia city by Federal Works Agency for purpose of plan preparation for construction of proposed sewage treatment and disposal system, would not be entitled to general judgment against city but would be entitled to an order requiring repayment from existing or future revenue bond proceeds and to four percent interest. War Mobilization and Reconversion Act of 1944, § 101 et seq., 58 Stat. 785; Code W.Va. 38-4-5, 38-4-6, 53-1-1. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations ⇨ 1037

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

In the discretion of the governing body such bonds may be secured by a trust indenture by and between the municipality and a corporate trustee, which may be any trust company or bank having the powers of a trust company within the State of West Virginia but no such trust indenture shall convey or mortgage the works or any part thereof. The ordinance authorizing the revenue bonds and fixing the details thereof may provide that such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper, not in violation of law, including covenants setting forth the duties of the municipality and the board in relation to the construction or acquisition of the works and the improvement,

operation, repair, maintenance and insurance thereof, and the custody, safeguarding and application of all moneys, and may provide that the works shall be contracted for, constructed and paid for under the supervision and approval of consulting engineers employed or designated by the board and satisfactory to the original bond purchasers, successors, assigns or nominees, who may be given the right to require the security given by contractors and by any depository of the proceeds of bonds or revenues of the works or other moneys pertaining thereto be satisfactory to such purchasers, successors, assigns or nominees. Such indenture may set forth the rights and remedies of the bondholders and/or such trustee, restricting the individual right of action of bondholders as is customary in trust indentures securing bonds and debentures of corporations. Except as in this article otherwise provided, the governing body may provide by ordinance or in such trust indenture for the payment of the proceeds of the sale of the bonds and the revenues of the works to such officer, board or depository as it may determine for the custody thereof, and for the method of disbursement thereof, with such safeguards and restrictions as it may determine.

Acts 1933, Ex. Sess., c. 25, § 14.

**Library References**

Municipal Corporations §911, 950(15).  
Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 1647 to  
1649, 1708 to 1709.

**United States Code Annotated**

Trust Indenture Act of 1939, see 15 U.S.C.A. § 77aaa et seq.

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

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

## MUNICIPAL & SANITARY DISTRICT SEWAGE WORKS § 16-13-16

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

Acts 1933, Ex. Sess., c. 25, § 15; Acts 1933, 2nd Ex. Sess., c. 48; Acts 1986, c. 118.

### Library References

Municipal Corporations Ⓒ951.  
Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 1704 to  
1705.

### **§ 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**

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.

(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 storm-

water 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, 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.

(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, 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

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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.

Acts 1933, Ex. Sess., c. 25, § 16; Acts 1933, 2nd Ex. Sess., c. 48; Acts 1959, c. 125; Acts 1967, c. 105; Acts 2001, c. 212, eff. 90 days after April 14, 2001; Acts 2004, c. 185, eff. 90 days after March 12, 2004.

**Library References**

Municipal Corporations ¶712.

Westlaw Topic No. 268.

C.J.S. Municipal Corporations § 1535.

## Notes of Decisions

Construction and application	1
Public utilities	3
Rates and charges for service	2
Summary judgment	5
Water service termination	4

**1. Construction and application**

Statutes dealing with municipally owned and operated sewer systems should be read and construed together. Code, 8-4-20, 16-13-1, 16-13-2, 16-13-16, 24-1-1 et seq., 24-2-1 et seq., 24-3-1 et seq. *Delardas v. Morgantown Water Commission*, 1964, 137 S.E.2d 426, 148 W.Va. 776. Statutes ⇨ 223.2(21)

**2. Rates and charges for service**

If rates and charges set forth in ordinance and established by public service commission by its order should be considered improper for any valid reason, they may be challenged by any user of sewer services by complaint in proper proceeding before public service commission. Code, 8-4-20, 16-13-1, 16-13-2, 16-13-16, 24-1-1 et seq. *Delardas v. Morgantown Water Commission*, 1964, 137 S.E.2d 426, 148 W.Va. 776. Municipal Corporations ⇨ 712(8)

Where charges for use of sewer by sanitary board of city of Beckley were assessed to property owners according to quantity of water supplied subject to deduction of amount of water retained on premises to be determined by a meter installed by consumers and allowing deduction of costs thereof from amounts due on bills, such charges were not discriminatory, notwithstanding some users were financially unable to install meters. Code 16-13-30. *Houchins v. City of Beckley*, 1944, 32 S.E.2d 286, 127 W.Va. 306. Municipal Corporations ⇨ 712(7)

Party aggrieved by rates established for use of sewer could not resort to courts for relief, where he failed to exercise statutory remedy of appearing before governing body of municipality at public hearing (Acts 1933 [1st Ex.Sess.] c. 25). *Brewer v. City of Point Pleasant*, 1934, 172 S.E. 717, 114 W.Va. 572. Municipal Corporations ⇨ 712(8)

**3. Public utilities**

Under statute declaring that words "public utility" shall include any person or persons, or association of persons including municipalities, engaged in any business which is a public service, sewer system owned and operated by city was a "public utility" and Public Service Commission was vested with jurisdiction to super-

vised or regulate municipal sewer system and to hear proceeding seeking extension of sewer services, and power of Commission to supervise and regulate sewer system was not withdrawn or impaired by statutes authorizing municipal corporation to own, construct and maintain sewer system under control of a Sanitary Board and authorizing Board to operate and control such systems and to order and complete any extensions that Board might deem expedient. Code, 16-13-1 et seq., 16-13-2, 16-13-3, 16-13-5, 16-13-16, 16-13-18, 16-13-23, 24-1-1, 24-2-1, 24-3-1. State ex rel. *City of Wheeling v. Renick*, 1960, 116 S.E.2d 763, 145 W.Va. 640. Public Utilities ⇨ 113

**4. Water service termination**

Any impairment of sewer revenue bonds issued by cities providing for imposition of liens against property for unpaid sewer charges, by statutory amendment precluding cities from attaching lien to landlord's property for tenant's failure to pay sewer charges, was not "substantial impairment" and, thus, amendment did not violate constitutional prohibition against impairment of contracts, where bond contracts acknowledged that parties' rights were subject to legislative regulation, contracts were merely modified, abridged right was not central to parties' undertaking, and prior legislation provided utilities with far more effective remedy of water service termination for unpaid sewer charges. U.S.C.A. Const. Art. 1, § 10, cl. 1; W.Va.Code, §§ 8-18-23, 16-13-16. *City of Charleston v. Public Service Com'n of West Virginia*, 1995, 57 F.3d 385, certiorari denied 116 S.Ct. 474, 516 U.S. 974, 133 L.Ed.2d 404. Constitutional Law ⇨ 2704; Municipal Corporations ⇨ 712(7)

**5. Summary judgment**

Allegation, in city's notice of motion for judgment, that claim was for services of city sewage system and penalty for nonpayment to sanitary board for a specified period of time and that defendant was owner of property served and a specified sum was due by reason of a specified ordinance, when read in connection with verified itemized statement accompanying notice, was insufficient to state a claim based upon contract in absence of showing of relationship of sanitary board to sewage system, method of service and right of sanitary board to charge for service, and demurrer to notice was properly sustained. Code 1937, 16-13-15 et seq. *City of Beckley v. Craighead*, 1943, 24 S.E.2d 908, 125 W.Va. 484. Judgment ⇨ 184

**§ 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

## MUNICIPAL & SANITARY DISTRICT SEWAGE WORKS § 16-13-18

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.

Acts 1933, Ex. Sess., c. 25, § 17; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

### Library References

Municipal Corporations Ⓒ712.  
Westlaw Topic No. 268.  
C.J.S. Municipal Corporations § 1535.

### Notes of Decisions

#### In general 1

##### 1. In general

Under contract between municipal sanitary board and contractor requiring contractor to bear cost and expense of damage to surface, overhead or subsurface structures in construc-

tion of sanitary sewer system, contractor was liable to water company for expense of removal of all water and other pipes under streets which interfered with construction of sewer system. Code, 16-13-1 et seq., 16-13-17, 16-13-24. West Virginia Water Service Co. v. Cunningham, 1957, 98 S.E.2d 891, 143 W.Va. 1. Municipal Corporations Ⓒ400

### § 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.

Acts 1933, Ex. Sess., c. 25, § 18; Acts 1939, c. 96; Acts 1953, c. 146; Acts 1957, c. 137; Acts 1992, c. 95; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

**Library References**

Health ☞ 369.  
Municipal Corporations ☞ 711.  
Westlaw Topic Nos. 198H, 268.

C.J.S. Health and Environment §§ 7 to 9, 16 to 17, 26 to 27, 44 to 45, 98 to 100.  
C.J.S. Municipal Corporations § 1535.

**Notes of Decisions**

**Funds 4**  
**Membership of sanitary boards 2**  
**Powers and duties of sanitary boards 1**  
**Public utilities 3**

**1. Powers and duties of sanitary boards**

Under West Virginia Act authorizing municipalities to construct sewage collection systems and sewage treatment plants and to issue revenue bonds to pay cost thereof, money used in preliminary engineering work prior to actual beginning of construction of sewage disposal system is not required to be handled by sanitary board, but board is merely required to supervise and control the construction and maintenance of the project. Code W.Va. 16-13-16, 16-13-18, 16-13-32. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Health ☞ 369

City which created sanitary board for purpose of erecting sewage disposal plant held authorized to incorporate such sanitary board as a nonstock corporation for purpose of being domesticated in Virginia as a sewage purification company under Virginia law, where no other way was pointed out by which city or sanitary

board could under law of Virginia acquire property in that state and carry out contemplated plan of erecting sewage disposal plant. Acts 1933, 1st Ex.Sess., c. 25, as amended by Acts 1933, 2d Ex.Sess., c. 48. Bernard v. City of Bluefield, 1936, 186 S.E. 298, 117 W.Va. 556. Municipal Corporations ☞ 277

**2. Membership of sanitary boards**

Where sanitary board created by municipality optional for either mayor or city manager, (but not both) to be appointed to board. 52 W.Va. Op.Atty.Gen. 217 (February 9, 1967) 1967 WL 93382.

**3. Public utilities**

Under statute declaring that words "public utility" shall include any person or persons, or association of persons including municipalities, engaged in any business which is a public service, sewer system owned and operated by city was a "public utility" and Public Service Commission was vested with jurisdiction to supervise or regulate municipal sewer system and to hear proceeding seeking extension of sewer services, and power of Commission to supervise

## MUNICIPAL & SANITARY DISTRICT SEWAGE WORKS § 16-13-19

and regulate sewer system was not withdrawn or impaired by statutes authorizing municipal corporation to own, construct and maintain sewer system under control of a Sanitary Board and authorizing Board to operate and control such systems and to order and complete any extensions that Board might deem expedient. Code, 16-13-1 et seq., 16-13-2, 16-13-3, 16-13-5, 16-13-16, 16-13-18, 16-13-23,

24-1-1, 24-2-1, 24-3-1. State ex rel. City of Wheeling v. Renick, 1960, 116 S.E.2d 763, 145 W.Va. 640. Public Utilities ⇨ 113

### 4. Funds

Charleston Sanitary Board treasurer must deliver funds collected from sewer system users to Charleston city treasurer. 52 W.Va. Op. Atty. Gen. 497 (October 6, 1967) 1967 WL 93425.

### § 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, 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.

Acts 1957, c. 138; Acts 1967, c. 105.

*Acts 1976, c. 33, provided that all references to "justice of the peace" in the code of West Virginia mean "magistrate." See § 50-1-17.*

### Library References

Health ⇨ 369.

Municipal Corporations ⇨ 885.

Westlaw Topic Nos. 198H, 268.

C.J.S. Health and Environment §§ 7 to 9, 16 to 17, 26 to 27, 44 to 45, 98 to 100.

C.J.S. Municipal Corporations § 1628.

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

Any municipality operating a sewage collecting system and/or a sewage disposal plant or plants or stormwater works as defined in this article, or which

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

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

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

Acts 1933, Ex. Sess., c. 25, § 19; Acts 1981, 1st Ex. Sess., c. 2; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

**Library References**

Municipal Corporations ¶328.  
Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 1027 to 1029.

**Notes of Decisions**

**In general 1**

**1. In general**

Under provisions of statute relating to contract with other municipalities for service of sewage works, city which ordered construction of sewage disposal plant was authorized to contract with town to provide that town would have the right to use part of the capacity of the plant in return for contributing to its cost and town was authorized to enter into such con-

tracts with city for the use of the plant, and fact that town was unable to sell revenue bonds because it was not allowed to have part ownership in the plant or in the interceptor sewers did not mean that town was not liable for payments agreed to under the contracts, where city offered to buy the revenue bonds issued by the town. Code, 16-13-9, 16-13-19, 16-13-23a. City of Morgantown v. Town of Star City, 1973, 195 S.E.2d 166, 156 W.Va. 529. Municipal Corporations ¶ 277

**MUNICIPAL & SANITARY DISTRICT SEWAGE WORKS § 16-13-22**

**§ 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.

Acts 1933, Ex. Sess., c. 25, § 20.

**Library References**

Municipal Corporations ¶288(2).  
Westlaw Topic No. 268.  
C.J.S. Municipal Corporations § 969.

**§ 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.

Acts 1933, Ex. Sess., c. 25, § 21.

**Library References**

Municipal Corporations ¶937, 955.  
Westlaw Topic No. 268.  
C.J.S. Municipal Corporations §§ 1707, 1711.

**§ 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.

Acts 1933, Ex. Sess., c. 25, § 22; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

#### Library References

Municipal Corporations Ⓒ711.  
Westlaw Topic No. 268.  
C.J.S. Municipal Corporations § 1535.

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

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

In no event shall any such loan or temporary advance be a general obligation of the municipality and such loans or temporary advances, including the interest thereon, shall be paid solely from the sources specified in this section.

Acts 1949, c. 93; Acts 1961, c. 107; Acts 1980, c. 59; Acts 1981, 1st Ex. Sess., c. 2; Acts 1986, c. 118.

#### Library References

Municipal Corporations Ⓒ864(3).  
Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 1583 to  
1585, 1587.

Notes of Decisions

Power to incur indebtedness and expenditures

1  
Repayment of loans and advances 2

1. Power to incur indebtedness and expenditures

Obligations incurred by city under authority of West Virginia statute authorizing municipalities to construct sewage collection systems and sewage treatment plants and to issue revenue bonds to pay the cost thereof are not "debts" within provision of West Virginia Constitution containing limitations on power of a municipality to incur debts. Code W.Va. 11-8-26(1-4); 16-13-15, 16-13-16, 16-13-18, 16-13-19, 16-13-22, 16-13-27, 16-13-32; Const. art. 10, § 8. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations ⇌ 864(3)

2. Repayment of loans and advances

United States, which was entitled to reimbursement for advances made to West Virginia city by Federal Works Agency for purpose of plan preparation for construction of proposed sewage treatment and disposal system, would not be entitled to general judgment against city but would be entitled to an order requiring repayment from existing or future revenue bond proceeds and to four percent interest. War Mo-

bilization and Reconversion Act of 1944, § 101 et seq., 58 Stat. 785; Code W.Va. 38-4-5, 38-4-6, 53-1-1. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations ⇌ 1037

If sewer project is undertaken by municipality, whatever loans may have been made on faith of the revenue bonds as authorized under West Virginia law would or should be included in cost of the works and repaid out of proceeds of the bonds. Code W.Va. 11-8-26(1-4); 16-13-15, 16-13-16, 16-13-18, 16-13-19, 16-13-22, 16-13-27, 16-13-32; Const. art. 10, § 8. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations ⇌ 950(15)

Under agreement between West Virginia city and Federal Works Administrator, in accordance with the War Mobilization and Reconversion Act of 1944, West Virginia city incurred obligation to repay advances made for purpose of plan preparation for construction of proposed sewage treatment and disposal system if and when construction of the sewage treatment plant should be started and would not be obligated to repay the advances if the construction were not undertaken. War Mobilization and Reconversion Act of 1944, §§ 101 et seq., 501, 58 Stat. 785, 791. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. United States ⇌ 82(1)

§ 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.

Acts 1949, c. 93.

Library References

Municipal Corporations ⇌ 328.  
Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 1027 to 1029.

§ 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.

Acts 1949, c. 93.

**Library References**

Municipal Corporations §913.  
Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 1647 to 1648, 1651.

**§ 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.

Acts 1949, c. 93.

**Library References**

Municipal Corporations §950(15).  
Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 1708 to 1709.

**§ 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.

Acts 1955, c. 132.

**Library References**

Municipal Corporations §328.  
Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 1027 to 1029.

**§ 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

**MUNICIPAL & SANITARY DISTRICT SEWAGE WORKS § 16-13-22g**

works shall be exempt from all taxation by the state of West Virginia or any county, municipality, political subdivision or agency thereof.

Acts 1955, c. 132; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

**Library References**

Taxation ◊2316, 3519.  
Westlaw Topic No. 371.

**§ 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 depository 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.

Acts 1955, c. 132; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

**Library References**

Municipal Corporations ¶922.  
Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 1684 to  
1686, 1697.

**§ 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

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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.

Acts 1933, Ex. Sess., c. 25, § 23.

### Library References

Municipal Corporations Ⓒ270, 906.  
Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 1645 to  
1646, 1702.

### Notes of Decisions

#### Public utilities 1

##### 1. Public utilities

Under statute declaring that words "public utility" shall include any person or persons, or association of persons including municipalities, engaged in any business which is a public service, sewer system owned and operated by city was a "public utility" and Public Service Commission was vested with jurisdiction to supervise or regulate municipal sewer system and to hear proceeding seeking extension of sewer ser-

vices, and power of Commission to supervise and regulate sewer system was not withdrawn or impaired by statutes authorizing municipal corporation to own, construct and maintain sewer system under control of a Sanitary Board and authorizing Board to operate and control such systems and to order and complete any extensions that Board might deem expedient. Code, 16-13-1 et seq., 16-13-2, 16-13-3, 16-13-5, 16-13-16, 16-13-18, 16-13-23, 24-1-1, 24-2-1, 24-3-1. State ex rel. City of Wheeling v. Renick, 1960, 116 S.E.2d 763, 145 W.Va. 640. Public Utilities Ⓒ 113

### § 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, 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, 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

## MUNICIPAL & SANITARY DISTRICT SEWAGE WORKS § 16-13-24

Note 1

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, however, 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.

Acts 1955, c. 135; Acts 1967, c. 105; Acts 1994, c. 61; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

### Library References

Municipal Corporations Ⓒ712.  
Westlaw Topic No. 268.  
C.J.S. Municipal Corporations § 1535.

### Notes of Decisions

#### In general 1

##### 1. In general

Under provisions of statute relating to contract with other municipalities for service of sewage works, city which ordered construction of sewage disposal plant was authorized to contract with town to provide that town would have the right to use part of the capacity of the plant in return for contributing to its cost and town was authorized to enter into such con-

tracts with city for the use of the plant, and fact that town was unable to sell revenue bonds because it was not allowed to have part ownership in the plant or in the interceptor sewers did not mean that town was not liable for payments agreed to under the contracts, where city offered to buy the revenue bonds issued by the town. Code, 16-13-9, 16-13-19, 16-13-23a. City of Morgantown v. Town of Star City, 1973, 195 S.E.2d 166, 156 W.Va. 529. Municipal Corporations Ⓒ 277

## § 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.

Acts 1933, Ex. Sess., c. 25, § 24.

### Library References

Statutes Ⓒ235.  
Westlaw Topic No. 361.  
C.J.S. Statutes § 376.

### Notes of Decisions

#### In general 1

##### 1. In general

Under contract between municipal sanitary board and contractor requiring contractor to

bear cost and expense of damage to surface, overhead or subsurface structures in construction of sanitary sewer system, contractor was liable to water company for expense of removal of all water and other pipes under streets which interfered with construction of sewer system.

**§ 16-13-24**

Note 1

Code, 16-13-1 et seq., 16-13-17, 16-13-24.  
West Virginia Water Service Co. v. Cunning-

ham, 1957, 98 S.E.2d 891, 143 W.Va. 1. Mu-  
nicipal Corporations ⇌ 400

**PUBLIC HEALTH**

**Section**

16-13A-1.  
16-13A-1a  
16-13A-1b

16-13A-1c  
16-13A-2.

16-13A-3.

16-13A-3a.  
16-13A-4.  
16-13A-5.  
16-13A-6.  
16-13A-7.  
16-13A-8.

16-13A-9.

16-13A-9a.  
16-13A-10.  
16-13A-11.  
16-13A-12.  
16-13A-13.  
16-13A-14.  
16-13A-15.  
16-13A-16.  
16-13A-17.

16-13A-18.  
16-13A-18a.

16-13A-19.  
16-13A-20.  
16-13A-21.

16-13A-22.

16-13A-23.  
16-13A-24.  
16-13A-25.

**§ 16-13A-**

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Annotated Code  
of West Virginia



*Using the Classification and  
Numbering System of the  
1931 Code of West Virginia,  
as Amended*

Chapter 16

2015  
Cumulative Annual Pocket Part



THOMSON REUTERS™

Jurisdiction	Laws	Effective Date	Statutory Citation
Ohio	1982, S. 98	3-15-1982	R.C. § 2108.40.
Oklahoma	1986, c. 262	9-11-1986	63 Okl.St. Ann. §§ 3121 to 3123.
Pennsylvania	Act 1982, No. 323	2-15-1983	35 P.S. §§ 10201 to 10203.
Rhode Island	1982, c. 411		Gen.Laws 1956, § 23-4-16.
South Carolina	1984, No. 339		Code 1976, §§ 44-43-450, 44-43-460.
South Dakota	1990, c. 273		SDCL 34-25-18.1.
Utah	1989, c. 276	4-24-1989	U.C.A.1953, 26-34-1, 26-34-2.
Vermont	1981, No. 62	4-30-1981	18 V.S.A. § 5218.
Virgin Islands	1993, Act No. 5894, § 2	10-13-1993	19 V.I.C. § 869.
West Virginia	1989, c. 206		Code, 16-10-1 to 16-10-4.
Wyoming	1985, c. 223	5-23-1985	Wyo.Stat. Ann. §§ 35-19-101 to 35-19-103.

\* Date of approval.

ARTICLE 13

SEWAGE WORKS AND STORMWATER WORKS

Section

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.

Section

16-13-18. Supervision of works by sanitary board; organization of board; qualifications, terms and compensation of members.  
 16-13-23a. Additional powers of municipality to cease pollution.

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

Notes of Decisions

Landowners residing outside city 8

8. Landowners residing outside city

City's assessment of "stormwater service charge," pursuant to state statute, on landowners who resided outside of city, but whose properties drained stormwater into city's stormwater management system, did not violate owners' right to equal protection, even though they could not vote on membership of city council that imposed the charge; ordinance had rational relationship to legitimate state purpose of reducing amount of sediment, bacteria, and trash in stormwater runoff that

flowed into and was treated by city. Shannon v. City of Hurricane, 2012, 2012 WL 2914305, Unreported. Constitutional Law ⇌ 3355; Municipal Corporations ⇌ 715

City's assessment of "stormwater service charge," pursuant to state statute, on landowners who resided outside of city, but whose properties drained stormwater into city's stormwater management system, did not violate owners' right to due process, since they had no right to vote in city's elections. Shannon v. City of Hurricane, 2012, 2012 WL 2914305, Unreported. Constitutional Law ⇌ 4059; Municipal Corporations ⇌ 715

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

United States Code Annotated

Trust Indenture Act of 1939, see 15 U.S.C.A. § 77aaa et seq.

§ 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

A governing body has the power and 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 or stormwater facilities constructed, owned 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. An entity providing stormwater service shall provide a tenant a report of the stormwater fee charged for the entire property and, if appropriate, that portion of the fee to be assessed to the tenant.

(e) The governing body may collect from all new applicants for service a deposit of \$50 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, service may not be reconnected or reinstated by the governing body until another deposit equal to \$50 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 they become due, the user of the services and facilities provided is delinquent. The user is liable 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: *Provided, however*, That nothing contained within the rules of the Public Service Commission shall be deemed to require any agents or employees of the governing body to accept payment at the customer's premises in lieu of discontinuing service for a delinquent bill.

(f) 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.

(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 rates, fees or charges, shall be given by publication as a Class II-0 legal advertisement in compliance with the provisions of article three, 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 the notice for the hearing.

(i) After the 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 the rates, fees and charges 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 established for any class of users or property served

shall be extended to the same class, without the

(j) Any change or manner as the rates, *Provided*, That if a change of service, no hearing or shall always be sufficient sinking fund payments

(k) All rates, fees or served by such works it is due, the amount attorney's fee, may be The lien may be foreclosed laws relating thereto. ty to any premises, the itemized and billed for

(l) Whenever any remain unpaid for a period thereof, as well as the all rates, fees and charges becomes delinquent payment.

(m) The board of rules to shut off and water, sewer or storm facilities to any delinquent for water, sewer and have been paid in full Public Service Commission Service Commission or governing body service for a delinquent Acts 1933, Ex. Sess., c. Acts 2001, c. 212, eff. Acts 2008, c. 202, eff.

§ 16-13-18. Superintending

(a) The governing the custody, administration and control of

(b) The sanitary city manager there persons appointed merger of an existing of four members to board.

(c) During the engineer, except the membership of The engineer member construction of the been completed, the officer or employee appointment to the his or her public

parcel of real estate or part of the sewerage by such works; and parcel of real estate or whose property is stormwater works. charges from time to be assessed against constructed, owned or

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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 the rates, fees or charges were originally established as hereinbefore provided: *Provided*, That if a 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 the expense of operation, repair and maintenance and for the 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 is not paid within twenty days after it 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. The lien may be foreclosed against such lot, parcel of land or building in accordance with the laws relating thereto. 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 they become due, 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 the 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 water, sewer or stormwater facilities and shall not restore either water facilities or sewer facilities to any delinquent user of any such facilities until all delinquent rates, fees or charges for water, sewer and stormwater facilities, including reasonable interest and penalty charges, have been paid in full, as long as such actions are not contrary to any rules or orders of the Public Service Commission: *Provided*, That nothing contained within the rules of the Public Service Commission shall be deemed to require any agents or employees of the municipality or governing body to accept payment at the customer's premises in lieu of discontinuing service for a delinquent bill.

Acts 1933, Ex. Sess., c. 25, § 16; Acts 1933, 2nd Ex. Sess., c. 48; Acts 1959, c. 125; Acts 1967, c. 105; Acts 2001, c. 212, eff. 90 days after April 14, 2001; Acts 2004, c. 185, eff. 90 days after March 12, 2004; Acts 2008, c. 202, eff. March 8, 2008; Acts 2010, c. 201, eff. June 11, 2010.

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

(a) The governing body shall provide by ordinance the organization of the board, and that the custody, administration, operation and maintenance of such works are under the supervision and control of a sanitary board, created under this section.

(b) The sanitary board shall be composed of either the mayor of the municipality, or the city manager thereof, if the municipality has 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.

(c) During the construction period, one of the members must be a registered professional engineer, except that if a registered professional engineer is under contract for the project, the membership of the board is not required to include a registered professional engineer. The engineer member of the board need not be a resident of the municipality. After the construction of the plant for which no registered professional engineer is under contract 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, is eligible for appointment to the 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 bond, if any, as 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 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 at the will of the sanitary board.

(d) The members of the sanitary board are entitled to receive compensation for their services, either as a salary or as payments for meetings attended, as the governing body determines, and are 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 previously referred to in this section, shall be paid solely from funds provided under the authority of this article. The sanitary board may establish bylaws, rules and regulations for its own governance.

Acts 1933, Ex. Sess., c. 25, § 18; Acts 1939, c. 96; Acts 1953, c. 146; Acts 1957, c. 137; Acts 1992, c. 95; Acts 2001, c. 212, eff. 90 days after April 14, 2001; Acts 2015, c. 215, eff. March 12, 2015.

**§ 16-13-23a. Additional powers of municipality to cease pollution**

(a) Notwithstanding any other provision contained in this article, and in addition thereto, the governing body of any municipality which has received or which hereafter receives an order issued by the Secretary of the Department of Environmental Protection or the Environmental Quality Board requiring the municipality to cease the pollution of any stream or waters is hereby authorized to establish and maintain, by ordinance, just and equitable rates, fees or charges for the use of the services and facilities of the existing municipal sewer system and/or stormwater system, 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.

(b) The rates, fees or charges shall be sufficient to all the proper and reasonable costs and expenses of the acquisition and construction of plants, machinery and works for the collection, 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 Secretary of the Department of Environmental Protection or the Environmental Quality Board, and for the operation, maintenance and repair of the entire works and system.

(c) 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.

(d) After the completion of the construction, the 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.

(e) 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.

(f) 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-0 legal advertisement in compliance with the provisions of article three, chapter fifty-nine of this code. The publica-

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(g) 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 in the office of the clerk of the municipality. The schedule of rates, fees and charges shall be open to inspection by all parties interested. The rates, fees or charges 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.

(h) 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*, That if such change or readjustment be made substantially pro rata, as to all classes of service, no hearing or notice is required.

(i) If any rate, fee or charge is not paid within thirty days after it 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 the municipality in a civil action in the name of the municipality.

(j) Any municipality exercising the powers given herein has the authority to construct, acquire, improve, equip, operate, repair and maintain any plants, machinery or works necessary to comply with the order of the Secretary of the Department 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 Secretary of the Department of Environmental Protection or the Environmental Quality Board and the rights, powers and duties of the municipality and the respective officers and departments thereof, including the sanitary board, are governed by the provisions of this article.

(k) The jurisdiction and authority provided by this section does not extend to highways, road and drainage easements and stormwater facilities constructed, owned 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.

(l) A municipality which has been designated by the Environmental Protection Agency as an entity to serve a West Virginia Separate Storm Sewer System community, as defined in 40 C.F.R. § 122.26, has the authority to enact ordinances or regulations which allow for the issuance of orders, the right to enter properties and the right to impose reasonable fines and penalties regarding correction of violations of municipal stormwater ordinances or regulations within the municipal watershed served by the municipal stormwater system, as long as such rules, regulations, fines or actions are not contrary to any rules or orders of the Public Service Commission.

(m) Notice of a violation of a municipal stormwater ordinance or regulation shall be served in person to the alleged violator or by certified mail, return receipt requested. The notice shall state the nature of the violation, the potential penalty, the action required to correct the violation and the time limit for making the correction. Should a person, after receipt of proper notice, fail to correct the violation of the municipal stormwater ordinance or regulation, the municipality may make or have made the corrections of the violation and bring the party into compliance with the applicable stormwater ordinance or regulation. The municipality may collect the costs of correcting the violation from the person by instituting a civil

action, as long as such actions are not contrary to any rules or orders of the Public Service Commission.

(n) A municipality which has been designated by the Environmental Protection Agency as an entity to serve a West Virginia Separate Storm Sewer System community shall prepare an annual report detailing the collection and expenditure of rates, fees or charges and make it available for public review at the place of business of the governing body and the stormwater utility main office.

Acts 1955, c. 135; Acts 1967, c. 105; Acts 1994, c. 61; Acts 2001, c. 212, eff. 90 days after April 14, 2001; Acts 2008, c. 202, eff. March 8, 2008.

**ARTICLE 13A  
PUBLIC SERVICE DISTRICTS**

<p><b>Section</b> 16-13A-1a. Jurisdiction of the Public Service Commission. 16-13A-3. District to be a public corporation and political subdivision; powers thereof; public service boards. 16-13A-4. Board chairman; members' compensation; procedure; district name. 16-13A-7. Acquisition and operation of district properties.</p>	<p><b>Section</b> 16-13A-9. Rules; service rates and charges; discontinuance of service; required water and sewer connections; lien for delinquent fees. 16-13A-18a. Sale, lease or rental of water, sewer, stormwater or gas system by district; distribution of proceeds. 16-13A-25. Borrowing and bond issuance; procedure.</p>
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**§ 16-13A-1a. Jurisdiction of the Public Service Commission**

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

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

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

(c) To create by general order a separate division within the Public Service Commission to provide assistance to public service districts in technological, operational, financial and regulatory matters, including, upon written request of the public service board, assistance to the board in deliberations regarding a proposed rate change or project.

Acts 1986, c. 81; Acts 2015, c. 196, eff. June 12, 2015.

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

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

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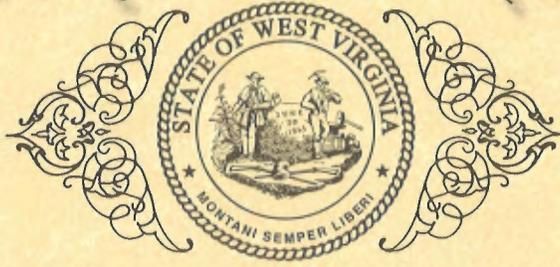
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# State of West Virginia



## Certificate

*I, Natalie E. Tennant, Secretary of State of the  
State of West Virginia, hereby certify that*

THIS IS A TRUE COPY OF CHAPTER 22C, ARTICLE 2 OF THE WEST VIRGINIA CODE, AND CHAPTER 22C, ARTICLE 2 OF THE 2015 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  
September 14, 2015*

*Natalie Tennant*  
Secretary of State

## ARTICLE 2

### WATER POLLUTION CONTROL REVOLVING FUND ACT

#### Section

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

#### § 22C-2-1. Definitions

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

(a) "Authority" means the water development authority provided for in section four, article one of this chapter.

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

- (1) Developmental, planning and feasibility studies, surveys, plans and specifications;
  - (2) Architectural, engineering, financial, legal or other special services;
  - (3) Acquisition of land and any buildings and improvements on the land or buildings, including the discharge of any obligations of the sellers of the land, buildings or improvements;
  - (4) Site preparation and development, including demolition or removal of existing structures, construction and reconstruction, labor, materials, machinery and equipment;
  - (5) The reasonable costs of financing incurred by the local entity in the course of the development of the project, carrying charges incurred before placing the project in service, interest on funds borrowed to finance the project to a date subsequent to the estimated date the project is to be placed in service, necessary expenses incurred in connection with placing the project in service, and the funding of accounts and reserves which the authority may require; and
  - (6) Other items that the division of environmental protection determines to be reasonable and necessary.
- (c) "Fund" means the state water pollution control revolving fund provided for in this article as it may be expanded or modified from time to time pursuant

**§ 22C-2-1**

**ENVIRONMENTAL RESOURCES**

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

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

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

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

- (1) Sewage and wastewater collection, treatment and disposal facilities;
- (2) Public water transportation, treatment and distribution facilities;
- (3) Drainage facilities and projects;
- (4) Administrative, maintenance, storage and laboratory facilities related to the facilities delineated in subdivisions (1), (2) and (3) of this subsection;
- (5) Interests in land related to the facilities delineated in subdivisions (1), (2), (3) and (4) of this subsection; and
- (6) Other projects allowable under federal law.

Acts 1994, c. 61; Acts 1996, c. 257, eff. 90 days after March 8, 1996.

**United States Code Annotated**

Water Pollution Prevention and Control,  
Generally, see 33 U.S.C.A. § 1251 et seq.  
Effluent limitations, see 33 U.S.C.A. § 1311 et seq.  
Water Pollution, Waste Treatment Management, grants, see 33 U.S.C.A. § 1281 et seq.

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

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

Acts 1994, c. 61.

**Library References**

Environmental Law ¶216.  
Westlaw Topic No. 149E.  
C.J.S. Health and Environment §§ 130, 172.

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

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

(b) The director of the division of environmental protection, in consultation with the authority, shall promulgate legislative rules in accordance with the provisions of article three, chapter twenty-nine-a of this code, to:

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

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

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

(d) The authority shall promulgate legislative rules in accordance with the provisions of article three, chapter twenty-nine-a of this code to govern the pledge of loans to secure bonds of the authority.

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

Acts 1994, c. 61; Acts 1996, c. 257, eff. 90 days after March 8, 1996.

## § 22C-2-3

## ENVIRONMENTAL RESOURCES

### Administrative Code References

Program rules, see W. Va. Code St. R. § 47-31-1 et seq.

### Library References

Environmental Law ☞179, 180, 216.  
States ☞127.  
Westlaw Topic Nos. 149E, 360.

C.J.S. Health and Environment §§ 130, 172.  
C.J.S. States §§ 386 to 387.

## § 22C-2-4. Annual audit

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

Acts 1994, c. 61.

### Library References

Environmental Law ☞179, 180, 216.  
States ☞121.  
Westlaw Topic Nos. 149E, 360.

C.J.S. Health and Environment §§ 130, 172.  
C.J.S. States §§ 322 to 323, 372.

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

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

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

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

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

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

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

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

The rights and remedies enumerated in this section are in addition to rights and remedies conferred upon the authority by law or pursuant to the loan agreement.

Acts 1994, c. 61; Acts 1996, c. 257, eff. 90 days after March 8, 1996.

**Library References**

Environmental Law ☞221.  
Westlaw Topic No. 149E.

C.J.S. Health and Environment §§ 130, 150,  
172.

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

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

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

Acts 1994, c. 61.

**Administrative Code References**

Construction grants program rules, see W. Va. Code St. R. § 47-33-1 et seq.

**Library References**

Environmental Law ☞180, 217.  
States ☞127.  
Westlaw Topic Nos. 149E, 360.

C.J.S. Health and Environment §§ 130, 133,  
172.  
C.J.S. States §§ 386 to 387.

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

(a) The division of environmental protection shall conduct an environmental review on each project funded under this article. The director of the division of environmental protection shall promulgate legislative rules in accordance with the provisions of article three, chapter twenty-nine-a of this code to implement the environmental review of funded projects: Provided, That the rules shall be



*West's*  
**Annotated Code  
of West Virginia**



*Using the Classification and  
Numbering System of the  
1931 Code of West Virginia,  
as Amended*

Chapters 22B to 23

2015  
Cumulative Annual Pocket Part



THOMSON REUTERS

## ENVIRONMENTAL RESOURCES

### ARTICLE 2

#### WATER POLLUTION CONTROL REVOLVING FUND ACT

##### Section

22C-2-1. Definitions.

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

##### § 22C-2-1. Definitions

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

(a) "Authority" means the Water Development Authority provided for in section four, article one of this chapter.

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

- (1) Developmental, planning and feasibility studies, surveys, plans and specifications;
- (2) Architectural, engineering, financial, legal or other special services;
- (3) Acquisition of land and any buildings and improvements on the land or buildings, including the discharge of any obligations of the sellers of the land, buildings or improvements;
- (4) Site preparation and development, including demolition or removal of existing structures, construction and reconstruction, labor, materials, machinery and equipment;
- (5) The reasonable costs of financing incurred by the local entity in the course of the development of the project, carrying charges incurred before placing the project in service, interest on funds borrowed to finance the project to a date subsequent to the estimated date the project is to be placed in service, necessary expenses incurred in connection with placing the project in service and the funding of accounts and reserves which the authority may require; and
- (6) Other items that the Department of Environmental Protection determines to be reasonable and necessary.

(c) "Fund" means the State Water Pollution Control Revolving Fund provided for in this article as it may be expanded or modified, from time to time, pursuant to the Clean Water Act, 33 U.S.C. § 1251, *et seq.*, as amended, the Federal Safe Drinking Water Act 42 U.S.C. § 300f through § 300j-26, inclusive, as amended, or by the executive order of the Governor issued to comply with federal laws relating to the acts.

(d) "Instrumentality" means the Department of Environmental Protection or the agency designated by an order of the Governor as having the primary responsibility for administering the fund pursuant to the Clean Water Act, 33 U.S.C. § 1251, *et seq.*, as amended, and the Federal Safe Drinking Water Act 42 U.S.C. § 300f through § 300j-26, inclusive, as amended, or other federal laws.

(e) "Local entity" means any county, city, town, municipal corporation, authority, district, public service district, commission, banking institution, political subdivision, regional governmental authority, state government agency, interstate agency or not-for-profit association or corporation in West Virginia.

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

- (1) Sewage and wastewater collection, treatment and disposal facilities;
- (2) Public water transportation, treatment and distribution facilities;
- (3) Drainage facilities and projects;

## ENVIRONMENTAL RESOURCES

(4) Administrative, maintenance and operation costs, as delineated in subdivisions (1) through (3) of this subsection; and

(6) Other projects allowed by Acts 1994, c. 61; Acts 1996, c. 61.

Environmental law,  
Clean water, dams,  
state certification

##### § 22C-2-2. Designation of Instrumentality United States

Environmental law,  
Clean water, dams,  
state certification

##### § 22C-2-5. Collection of Money

(a) In order to ensure the revolving fund loan agreement provisions of this code to the following rights and remedies agreement:

(1) The authority may place charges upon all users of the revolving fund and may proceed to recover all necessary costs of the revolving fund.

(2) The authority may require a particular local entity, all or part of the project or which may be the subject of a judicial decision, including a decision by the loan distributed to the revolving fund.

(3) The authority may, in any proceeding, compel performance of the revolving fund agreement between the revolving fund and the local entity.

(A) The adjustment of the terms of the loan agreement.

(B) The enforcement of the revolving fund agreement.

(b) The enforcement of the revolving fund rule, regulation or judicial decision in addition to rights and remedies provided in the revolving fund agreement.

(c) For loans made for the revolving fund, at the direction of the revolving fund, to take a security or other instrument to secure the revolving fund in a default to secure loans made for the revolving fund. Acts 1994, c. 61; Acts 1996, c. 61.

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

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

(6) Other projects allowable under federal law.

Acts 1994, c. 61; Acts 1996, c. 257, eff. 90 days after March 8, 1996; Acts 2007, c. 132, eff. June 8, 2007.

**United States Supreme Court**

**Environmental law,** Clean Water Act, see S.D. Warren Co. v. Maine Bd. of Environmental Protection, 2006, 126 S.Ct. 1843.  
 Clean water, dams, discharge potential, state certification requirement under

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

**United States Supreme Court**

**Environmental law,** Clean Water Act, see S.D. Warren Co. v. Maine Bd. of Environmental Protection, 2006, 126 S.Ct. 1843.  
 Clean water, dams, discharge potential, state certification requirement under

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

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

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

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

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

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

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

(b) The enforcement by the local entity of all rights and remedies conferred by statute, rule, regulation or judicial decision. The rights and remedies enumerated in this section are in addition to rights and remedies conferred upon the authority by law or pursuant to the loan agreement.

(c) For loans made for projects defined in subdivision (6), subsection (f), section one of this article, at the direction of the Department of Environmental Protection, the authority shall take a security or other interest in real or personal property with the right to foreclose upon a default to secure loans made from the fund.

Acts 1994, c. 61; Acts 1996, c. 257, eff. 90 days after March 8, 1996; Acts 2007, c. 132, eff. June 8, 2007.

§ 22C-2-7

ENVIRONMENTAL RESOURCES

ENVIRONMENT/

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

§ 22C-4-26. Appi

United States Supreme Court

Environmental law,

Clean water, dams, discharge potential, state certification requirement under

Clean Water Act, see S.D. Warren Co. v. Maine Bd. of Environmental Protection, 2006, 126 S.Ct. 1843.

Environmental regulat

Solid waste, cour favoring public merce Clause,

ARTICLE 4

COUNTY AND REGIONAL SOLID WASTE AUTHORITIES

COMM

Section

22C-4-10. Mandatory disposal; proof required; penalty imposed; requiring solid

Section

waste management board and the Public Service Commission to file report.

Section

22C-5-1 to 22C-5-8. R

§ 22C-4-10. Mandatory disposal; proof required; penalty imposed; requiring solid waste management board and the Public Service Commission to file report

§§ 22C-5-1 to 22C-

(a) Each person occupying a residence or operating a business establishment in this state shall either:

Section 22C-5-1, "Sho Acts 1994, c. 61.

(1) Subscribe to and use a solid waste collection service and pay the fees established therefor; or

Section 22C-5-2, "Pu ings", was derived from .

(2) Provide proper proof that said person properly disposes of solid waste at least once within every thirty-day period at approved solid waste facilities or in any other lawful manner. The Secretary of the Department of Environmental Protection shall promulgate rules pursuant to chapter twenty-nine-a of this code regarding an approved method or methods of supplying such proper proof. A civil penalty of one hundred fifty dollars may be assessed to the person not receiving solid waste collection services in addition to the unpaid fees for every year that a fee is not paid. Any person who violates the provisions of this section by not lawfully disposing of his or her solid waste or failing to provide proper proof that he or she lawfully disposes of his or her solid waste at least once a month is guilty of a misdemeanor. Upon conviction, he or she is subject to a fine of not less than fifty dollars nor more than one thousand dollars or sentenced to perform not less than ten nor more than forty hours of community service, such as picking up litter, or both fined and sentenced to community service.

Section 22C-5-3, "Def Acts 1994, c. 61.

Section 22-C-5-4, "Es hazardous waste manage composition; appointmei rules; and procedures" 1994, c. 61.

OIL AND GA

§§ 22C-7-1 to 22C-2011

(b) The Solid Waste Management Board, in consultation and collaboration with the Public Service Commission, shall prepare and submit, no later than the first day of October, one thousand nine hundred ninety-two, a report concerning the feasibility of implementing a mandatory fee for the collection and disposal of solid waste in West Virginia: *Provided*, That such plan shall consider such factors as affordability, impact on open dumping and other relevant matters. The report shall be submitted to the Governor, the President of the Senate and the Speaker of the House of Delegates.

The repealed sections

gas inspectors, were deri

Acts 2007, c. 207.

Acts 2001, c. 221.

(c) The Public Service Commission, in consultation and collaboration with the Division of Human Services, shall prepare and submit, no later than the first day of October, one thousand nine hundred ninety-two, a report concerning the feasibility of reducing solid waste collection fees to individuals who directly pay such fees and who receive public assistance from state or federal government agencies and are therefore limited in their ability to afford to pay for solid waste disposal. This report shall consider the individual's health and income maintenance and other relevant matters. This report shall also include recommended procedures for individuals or households to qualify for and avail themselves of a reduction in fees. This report shall be submitted to the Governor, the President of the Senate and the Speaker of the House of Delegates.

§ 22C-7-4. Repea

The repealed section, tion of the oil and gas in was derived from:

Acts 2000, c. 236.

Acts 1994, c. 61; Acts 2007, c. 216, eff. March 10, 2007.

THE CITY OF WILLIAMSTOWN

RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES

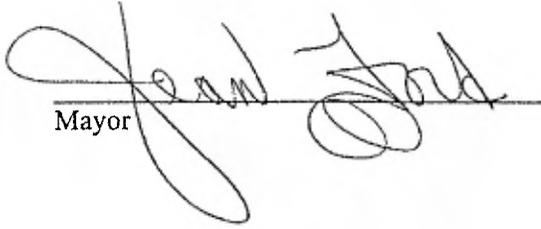
Pursuant to Chapter 6, Article 9A, Section 3 of the West Virginia Code, the Council of The City of Williamstown does hereby adopt the following rules to make available, in advance, the date, time, place and agenda of all regularly scheduled meetings of the Council, and the date, time, place and purpose of all special meetings of the Council to the public and news media (except in the case of an emergency requiring immediate action) as follows:

1. Regular Meetings. A notice shall be posted and maintained by the City Clerk at the front door or bulletin board of the City Hall of the date, time and place fixed and entered of record by Council for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same location by the City Clerk not less than 72 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is canceled or postponed, a notice of such cancellation or postponement shall be posted at the same location as soon as feasible after such cancellation or postponement has been determined.

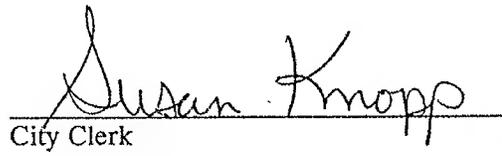
2. Special Meetings. A notice shall be posted by the City Clerk at the front door or bulletin board of the City Hall not less than 72 hours before a special meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is canceled, a notice of such cancellation shall be posted at the same location as soon as feasible after such cancellation has been determined.

These rules regarding notice of meetings shall replace any and all previous rules heretofore adopted by Council.

Adopted this 16th day of November, 2004.

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk

976720.00001  
11/01/04



**ORDINANCE AMENDING SECTION 5 OF THE CHARTER OF THE  
CITY OF WILLIAMSTOWN**

The Council of the City of Williamstown hereby ordains that Section 5 of the Charter of the City of Williamstown shall be amended pursuant to the provisions of West Virginia Code, Chapter 8, Article 4, Section 8, to reflect the following change:

"Any person desiring to become a candidate for Mayor or Council shall, no later than the last Friday in January prior to said election, file with the City Clerk a statement of such candidacy in substantially the following form."

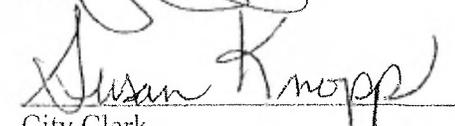
(The foregoing provision brings the City Charter in conformity with the filing deadline for all other state elective offices as set forth in West Virginia Code Article 3, Chapter 5, Section 7).

Be it further ORDAINED that upon adoption of this Ordinance upon first reading that the same shall be considered on second reading at the regular meeting of City Council on the 15th day of July, 2008, at which time a public hearing shall be held in the Chambers of City Council on said date commencing at 7:30 P.M., or as soon thereafter as the same may be heard.

Said proposed Amendment, together with a notice of the date, time and place affixed for the public hearing, is to be published as a Class II-0 Legal Advertisement in accordance with the provisions of Article 3, Chapter 59, of the West Virginia Code, and which said Notice shall state that the proposed Amendment will be considered on the date and time herein specified, and that any qualified voter or any freeholder of the City may appear and file objections, in writing, and also that if no objections are filed, said Amendment shall become operative on and after the 25th day of July, 2008.

First Reading: June 3, 2008  
Second Reading: July 15, 2008

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
City Clerk

PART I.

THE CHARTER.

Editor's note.--The Charter herein set out is as enacted by the legislature, acts 1921 (Munl. ch.) chapter 30, passed April 19, 1921, approved by the governor April 20, 1921, effective ninety days from passage, as subsequently amended by the legislature and by Home Rule Ordinances, and each section is followed by an historical citation indicating the derivation of the section. The frontal section analysis differs somewhat from that of chapter 30 of the 1921 Act, so as to more fully disclose the contents, and section catch-lines have been added in accord therewith, none of which is to be regarded as official. Similarly, the editors have inserted some words in brackets; they have adopted a uniform system of capitalization, and have used Arabic numerals instead of spelling out dates.

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."

Williamstown City Code

*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 suggested that users of this city Code refer to W. Va. Code, § 8-1-6, in determining the present construction and applicability of any portion of the Williamstown Charter to any given situation.*

*For state law as to revising or amending a municipal charter, see W. Va. Code, §§ 8-4-7, 8-4-8.*

- § 1. "The City of Williamstown" incorporated; corporate powers generally.
- § 2. Corporate limits.
- § 3. Applicability of state general and special laws; continuity of ordinances, etc., of former Town of Williamstown.
- § 4. Mayor and four councilmen at large constitute city council; governing body; election date and terms of office; filling vacancies.
- § 5. "General election;" announcement of candidacies; printing of ballots; conduct of elections; determination of results, etc.
- § 6. Composition of council; voting in council; quorum; recording of votes; presiding officer; authentication of acts of the council.
- § 7. Powers of council and its members; certain departments established and powers and duties defined; assignment of personnel; rules and regulations.
- § 8. Mayor as ex officio department head and city judge; designation of other department heads; appointment of other city officers; removal of city officers.
- § 9. Authority of council to create, fill and discontinue other positions and to provide compensation therefor.
- § 10. Office or offices for mayor and council; compensation of mayor, councilmen and all other officers and employees, and how paid.
- § 11. Council meetings; president and vice president of council; reports to council by mayor; who acts for absent or disabled mayor.
- § 12. Certain ordinances to be available for public inspection in final form one week before passage; limitations on granting of franchises.
- § 13. Prohibited taking of gifts or accepting of services by city officers and employees; contracts void when in violation of this section.
- § 14. Authority of council to create civil service board and to establish civil service throughout city.
- § 15. Authority of council to publish receipts and expenditures; annual audit of all city books and accounts, and publication of results.
- § 16. Special appropriations authority of city council elected in 1921; section now obsolete.

- § 17. "Officers," "franchise" and "electors," as used in Charter, defined.
- § 18. Power of council to levy and collect taxes on real and personal property, and to grant licenses and collect license taxes thereon.
- § 19. Paving and sewerage; two-thirds of cost to be paid by property owners; street railways' part; one-tenth to be paid each year; cost a lien upon property; statements of assessments to be recorded in office of clerk of county court; default in payment, how collected; notices describing improvements and property giving amount of assessments to be published; grievances; council to appoint day for hearing; bonds for pavements, sidewalks and sewers; how same are to be issued; not to be sold for less than par; payable in ten years; assessments applied to liquidation; debts not to exceed five per centum of taxable property; to be submitted to voters and receive three-fifths of votes cast; issue not to exceed amount authorized by election; chapter forty-seven-a of the code to apply; plans, specifications, profiles and estimates to be on file for examination; notice giving nature of work and manner of payment to be published.
- § 20. Limited authority to levy annual tax on real and personal property for paving and for sewer construction.
- § 21. Procedure for recall of elected officer and to elect a successor; person sought to be recalled may be candidate to succeed himself.
- § 22. Initiative and referendum; ordinances adopted by vote of electorate may be repealed only by vote of electorate.
- § 23. Effective date of ordinances and franchises and required posting thereof; suspension from operation upon protest of twenty per centum of voters; submission to election.
- § 24. Petitions to be signed by legal voters only, supported by affidavit.
- § 25. Reiteration of authority of council to levy annual tax on real and personal property; other taxing authority; taxes to be uniform; limitation on taxation.
- § 99. Authority to acquire and equip various public utilities, parks, buildings, etc., and to issue and sell bonds for such purpose subject to conditions and limitations herein specified.

Sec. 1. "The City of Williamstown" incorporated; corporate powers generally.

The inhabitants of so much of the County of Wood as is within the bounds prescribed by section 2 of this act, [charter], and their successors, shall be and remain and they are hereby constituted a body politic and corporate, by the name of "The City of Williamstown", and as such, and by that name shall have perpetual succession and a common seal and may contract and be contracted with, sue and be sued, plead and be impleaded, answer and be answered unto, and may purchase, take, receive, hold and use goods and chattels, lands and tenements, and choses in action, or any interest, right or estate therein, either for the proper use of said city or in trust for the benefit of any person or cor-

poration therein; and the same may grant, sell, convey, transfer, let and assign, pledge, mortgage, charge and encumber in any case, and in any manner, in which it would be lawful for a private individual so to do, subject to the limitations and provisions of the Constitution of the state; and may have and use a common seal and alter and renew the same at pleasure; and generally shall have all the rights, franchises, capacities and powers appertaining to like corporations in this state, and shall have and succeed to all powers, franchises and immunities, rights and privileges, which were conferred upon or belonged or appertained to the Town of Williamstown by virtue of any act or acts of the general assembly of the State of Virginia or of the legislature of this state heretofore passed; and shall have all the rights, privileges, capacities and powers provided by chapter 47 of the Code of West Virginia, as contained in the edition of the year 1899 and for which provision is not herein otherwise expressly made. (Acts 1921 (Munl. ch.), ch. 30, § 1.)

*Editor's note.--The reference to chapter 47 of the Code of "1899" appears to relate to chapter 47 of the Code of 1906, captioned, "Cities, towns and villages," the subject matter of which is now contained in W. Va. Code, chapter 8.*

#### Sec. 2. Corporate limits.

The corporation limits and boundary of said City of Williamstown shall be as follows:

Beginning at a point on the bank of the Ohio river on the land of the heirs of George Henderson, deceased, from which an elm 40 inches in diameter bearing N. 65 degrees 30' E. 2 31/100 chains distant; and running thence from said point, S. 42 degrees E. 45 chains to a point where a hickory 20 inches in diameter bears S. 16 degrees and 30' W. 16 links distant and a hickory 18 inches in diameter bears S. 75 degrees E. 71 links distant; thence S. 64 degrees and 30' E. 40 chains and 45/100 to a point in line between Biddle and Spies where a hickory 14 inches in diameter bears N. 65 degrees and 30' E. 19 links distant, and a white oak 14 inches in diameter bears S. 8 degrees and 30' W. 25 links distant; thence with said line N. 38 degrees E. 6 70/100 chains to a stake near a corner to lands of Spies and Ruf; thence N. 64 degrees and 10' E. 31 and 30/100 chains to the east line of Joseph Bush; thence N. 34 degrees and 20' E. 11 and 20/100 chains with his line to a stone at the south-east corner of lands of said Bush; thence N. 58 degrees W. 1 4/100 chains with another of his lines; thence with the line between Wanless and Arbour N. 26 degrees E. 43 and 87/100 chains to the Ohio river; and thence same course continued 10 35/100 chains to the island known as Kerr's Island; thence same course 4 88/100 chains across the said island; thence same course 11 and 90/100 chains to low water line on the Ohio side; thence down the river and with the meanders thereof N. 64 degrees W. 6 chains; thence N. 69 degrees W. 20 chains; thence N. 79 degrees W. 12 chains; thence N. 84 degrees 30' W. 11 chains; thence N. 88 degrees 30' W. 10 and 92/100 chains; thence 84 degrees W. 7 50/100 chains; thence S. 83 degrees 10' W. 19 and 4/100 chains to the mouth of the Muskingum river;

thence S. 83 degrees W. 12 and 61/100 chains across said river; thence S. 32 degrees W. 7 chains; thence S. 46 degrees 30' W. 9 chains; thence 66 degrees W. 27 chains; thence 62 degrees W. 12 and 50/100 chains; thence S. 56 degrees W. 8 and 88/100 chains; thence S. 42 degrees E. 22 chains crossing the Ohio river to the place of beginning, containing 969 and 35/100 acres including the Ohio river, which contains 315 and 20/100 acres, containing exclusive of the Ohio river 654 and 15/100 acres, in said boundary, which territory is situated in the district of Williams, in the County of Wood and State of West Virginia. (Acts 1921 (Munl. ch.), ch. 30, § 2.)

Sec. 3. Applicability of state general and special laws; continuity of ordinances, etc., of former Town of Williamstown.

All general and special laws of the State of West Virginia, governing cities and towns and now [April 19, 1921] applicable and not inconsistent with the provisions of this act, [Charter], shall apply to and govern the City of Williamstown. All by-laws, ordinances and resolutions lawfully passed and in force in the Town of Williamstown under its former organization, and not inconsistent herewith, shall remain in force throughout the City of Williamstown until altered or repealed by the council elected under the provisions of this act [Charter]. All rights and property heretofore vested in said Town of Williamstown are continued and preserved in its title and property vested in said City of Williamstown and no right or liability, either in favor of or against, the said Town of Williamstown at the time this act takes effect [90 days from April 19, 1921], and no suit or prosecution of any kind, shall be effected by such change, unless otherwise provided for in this act [Charter]. (Acts 1921 (Munl. ch.), ch. 30, § 3.)

Sec. 4. Mayor and four councilmen at large constitute city council; governing body; election date and terms of office; filling vacancies.

The governing body of the city shall be a council composed of a mayor and four councilmen who shall be elected at large. Elections shall be held in the city every two years on the Tuesday after the first Monday in June of each odd-numbered year. The first election under this section as hereby amended shall be held on the Tuesday after the first Monday in June, 1973.

At the said first election as herein provided, a mayor and four councilmen shall be elected. The mayor shall serve for a term of two years. The two candidates for councilman receiving the highest and second highest number of votes cast shall serve for a term of four years. The two candidates for councilman receiving the third highest and fourth highest number of votes cast shall serve for a term of two years. The terms of office of the incumbent mayor and all incumbent councilmen at the time of the adoption of this Charter amendment [Oct. 17, 1972] shall terminate at the commencement of the terms of the newly-elected mayor and councilmen as herein provided. At all subsequent elections held in the said city under this section as amended, there shall be a mayor who shall serve for two years and two councilmen who shall serve for four years. The terms of office of all elected officers hereunder shall begin on the second Monday after their election.

If any vacancy occurs in any such office, the remaining members of the said council shall appoint an eligible person to fill such vacancy during the balance of the unexpired term. (Acts 1921 (Munl. ch.), ch. 30, § 4; Acts 1925 (Munl. ch.), ch. 13, § 4; Home Rule Ord. 10-17-72.)

*For state law as to election date and terms of mayors and councilmen generally, see W. Va. Code, § 8-5-5.*

Sec. 5. "General election;" announcement of candidacies; printing of  
*AMMENDMENT 6/4/81* ballots; conduct of elections; determination of results,  
etc.

There shall be one municipal election, known as the "General Election" wherein the mayor and councilmen shall be elected.

Any person desiring to become a candidate for mayor or councilman shall, not later than the third Tuesday in May prior to said election, file with the city clerk a statement of such candidacy in substantially the following form:

"State of West Virginia, Wood County, ss:

"I, \_\_\_\_\_, being first duly sworn, say that I reside at \_\_\_\_\_ Street, City of Williamstown, County of Wood, State of West Virginia; that I am a qualified voter therein; that I am a candidate for the office of (mayor or councilman) to be voted upon at the general election to be held on the first Tuesday after the first Monday in June, 19\_\_\_\_, and I hereby request that my name be printed upon the official ballot as a candidate for such office.

"Signed \_\_\_\_\_  
"Subscribed and sworn to (or affirmed) before me by \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

"Signed \_\_\_\_\_"

and at the same time file therewith the petition of at least twenty-five qualified voters requesting such candidacy. Each petition shall contain the street addresses of its signers and shall be verified by one or more persons as to qualifications and residences. The said petition shall be in substantially the following form:

"PETITION ACCOMPANYING NOMINATING STATEMENT

"The undersigned, duly qualified electors of the City of Williamstown, residing at the places set forth opposite our respective names hereon, do hereby request that the name of (name of candidate) be placed on the ballot as candidate for (name of office) at the general election to be held in such city on the first Tuesday after the first Monday in June, one thousand nine hundred and \_\_\_\_\_.

"We further state that we know him to be a qualified elector of said city and a man of good moral character, and qualified, in our judgment, for the duties of such office.

"Names of Qualified Electors      Street Address."

Immediately upon expiration of the time of filing the statements and petitions for candidates, the clerk of the municipality [city clerk] shall cause to be published in proper form, the names of the persons as they are to appear upon the general ballot, which publication may be made by posting copies thereof at four of the most public places in the said City of Williamstown, including the place of the meeting of the council and the mayor's office at least ten days immediately preceding the general election, or if the council so orders, by publication in the last issue of a newspaper of general circulation in said City of Williamstown immediately preceding such general election; and the said clerk shall thereupon cause the ballots to be printed, authenticated with a facsimile of his signature. Upon the said ballot the names of the candidates for mayor, arranged alphabetically shall first be placed, with a square to the left of each name and immediately below the words "vote for one", and immediately below the names of the candidates for mayor shall appear in alphabetical order the names of the candidates for councilmen with a square at the left of each name and below the names of such candidates shall be the words "vote for two". All ballots shall be printed upon plain, substantial white paper and shall be headed "Candidates for Mayor and Councilmen of the City of Williamstown, at the General Election". No political party designation or mark whatsoever shall appear upon any ballot. The ballot shall be in substantially the following form:

"(Place a cross in the square preceding the names of the parties for whom you wish to vote for the respective offices.)

"OFFICIAL GENERAL BALLOT

"Candidates for mayor and councilmen of the City of Williamstown at the General Election.

"For Mayor

"( ) (name of candidate)  
(vote for one)

"For Councilmen

"( ) (names of candidates)  
(vote for two)

"Official ballot, attest:

"Signature \_\_\_\_\_  
City Clerk"

The ballots shall be prepared by the said clerk for all subsequent elections in said city under the provisions of this act [section] as amended and shall be printed upon the same kind of paper and shall be in the same form.

Having caused said ballots to be printed, the city clerk shall cause to be delivered to each polling place a number of ballots equal to twice the number of votes cast in such polling precinct at the last general election for mayor. Persons who are qualified to vote at the general elections shall be permitted to vote and challenges can be made by not more than two persons, to be appointed at the time of the opening of the polls by the judge of the election. The law applicable to challenges at a general municipal election shall be applicable. [See W. Va. Code, § 3-1-41.] Judges of elections shall, immediately upon closing of the polls, count the ballots and ascertain the number of votes cast in such precinct for each of the candidates, and make return thereof to the city clerk without unnecessary delay.

On the day following the general election the clerk shall canvass the returns so received from all the polling precincts, and shall make and publish in some newspaper of general circulation in the city at least once, the result thereof and post the same at four of the most public places in the City of Williamstown, including the place of the meeting of the council and the mayor's office. Said canvass by the clerk shall be publicly made.

At all general elections to be held in the City of Williamstown the candidate receiving the highest number of votes for mayor shall become the mayor, and the two candidates receiving the highest number of votes for councilmen shall become councilmen.

In all elections in such city the election precincts, voting places and announcing of results, shall be the same as by law provided for election of county and state officers in said city, so far as the same are applicable to and not inconsistent with the provisions of this section. (Acts 1921 (Munl. ch.), ch. 30, § 5; Acts 1925 (Munl. ch.), ch. 13, § 5; Home Rule Ord. 10-17-72.)

Sec. 6. Composition of council; voting in council; quorum; recording of votes; presiding officer; authentication of acts of the council.

Said city shall be governed by a council, consisting of the mayor and four councilmen chosen as provided in this act [Charter], each of whom shall have the right to vote on all questions coming before the council. Three members of the council shall constitute a quorum, and the affirmative of three members shall be necessary to adopt any motion, resolution or ordinance, or pass any measure. Upon every vote the yeas and nays shall be called and recorded, and every motion, resolution or ordinance shall be reduced to writing and read before the vote is taken thereon. The mayor shall preside at all meetings of the council; he shall have no power to veto any measure, but every resolution or ordinance passed by the council must be signed by the mayor, or by three councilmen, and be recorded before the same shall be in force. (Acts 1921 (Munl. ch.), ch. 30, § 6.)

Sec. 7. Powers of council and its members; certain departments established and powers and duties defined; assignment of personnel; rules and regulations.

The council shall have and possess; and the council and its members shall exercise, all executive, legislative and judicial powers conferred upon cities, towns and villages by the general law of the state and by this act [Charter].

The executive and administrative powers, authority and duties in said city shall be distributed into and among five departments as follows:

- (a) Department of public affairs,
- (b) Department of accounts and finance,
- (c) Department of public safety,
- (d) Department of streets, parks, public improvements and public property,
- (e) Department of waterworks and sewers.

The council shall determine the powers and duties to be performed by, and assign them to, the appropriate department, shall prescribe the powers and duties of officers and employees, may assign particular officers and employees to one or more of the departments; may require an officer or employee to perform duties in two or more departments; and may make such other rules and regulations as may be necessary or proper for the efficient and economical conduct of the business of the city. (Acts 1921 (Munl. ch.), ch. 30, § 7.)

Sec. 8. Mayor as ex officio department head and city judge; designation of other department heads; appointment of other city officers; removal of city officers.

The mayor shall be superintendent of the department of public affairs and ex-officio city judge, and shall, at the first regular meeting after each election of council, designate one councilman to be superintendent of the department of accounts and finance, one to be superintendent of the department of public safety, one to be superintendent of the department of streets, parks, public improvements and public property, and one to be superintendent of the department of waterworks and sewers; that such obligation shall be changed whenever it appears that the public service would be benefited thereby.

The council may, at the first meeting, or as soon as practicable thereafter, select by a majority vote the following officers: A clerk, solicitor, city civil engineer, city physician, chief of police, chief of fire department, city collector, street commissioner, and such other officers and assistants as shall be provided for by ordinance and necessary to the proper and efficient conduct of the affairs of the city. Any officer, assistant or employee elected, appointed or employed may be removed at any time by a vote of a majority of the members of the council, under such regulations as the council may prescribe. (Acts 1921 (Munl. ch.), ch. 30, § 8; Home Rule Ord. 10-17-72.)

*Editor's note.--The mayor no longer acts as city judge; see chapter 12 of this Code, relating to the municipal court of the city, established pursuant to authority of W. Va. Code, § 8-10-2.*

Sec. 9. Authority of council to create, fill and discontinue other positions and to provide compensation therefor.

The council shall have power from time to time to create, fill and discontinue offices and employments other than herein prescribed, according to their judgment of the needs of the city, and may, by resolution or otherwise, prescribe, limit or change the compensation of such officers or employees. (Acts 1921 (Munl. ch.), ch. 30, § 9.)

Sec. 10. Office or offices for mayor and council; compensation of mayor, councilmen and all other officers and employees, and how paid.

The mayor and council shall have an office or offices and their total compensation shall be as follows: The annual salary of the mayor shall not exceed two hundred dollars, and the annual salary of each councilman shall not exceed one hundred dollars, which salaries shall be payable in equal quarterly installments.

Every other officer or assistant shall receive such salary or compensation as the council shall by ordinance provide, payable in equal monthly installments.

The salary and compensation of all other employees of said city shall be fixed by council, and shall be payable monthly or at such shorter periods as the council may determine. (Acts 1921 (Munl. ch.), ch. 30, § 10; Home Rule Ord. 10-17-72.)

*For state law providing that "notwithstanding any charter provision to the contrary," the governing body of every municipality may fix the compensation of all officers and employees; but no officer's salary shall be increased or diminished during this term, see W. Va. Code, § 8-5-12.*

Sec. 11. Council meetings; president and vice president of council; reports to council by mayor; who acts for absent or disabled mayor.

Regular meetings of the council shall be held on the second Monday after the election of councilmen, and thereafter at least twice each month. The council shall provide by ordinance for the time for holding regular meetings, and special meetings may be called from time to time by the mayor or two councilmen. All meetings of the council, whether regular or special, at which any person not a city officer is admitted, shall be open to the public.

The mayor shall be president of the council and preside at all meetings, and shall supervise all departments and report to the council for its action all matters requiring attention in any department. The superintendent of the department of accounts and finance shall be vice-president of the council, and in case of vacancy in the office of mayor, or the absence or inability of the mayor, shall perform the duties of mayor. (Acts 1921 (Munl. ch.), ch. 30, § 11.)

Sec. 12. Certain ordinances to be available for public inspection in final form one week before passage; limitations on granting of franchises.

Every ordinance or resolution appropriating money or ordering any street improvement or sewer, or making or authorizing the making of any contract, or granting any franchise or right to occupy or use the streets, highways, bridges or public places in the city for any purpose, shall be complete in the form in which it is finally passed, and remain on file with the city clerk for public inspection at least one week before the final passage or adoption thereof. No franchise or right to occupy or use the streets, highways, bridges or public places in said city shall be granted, renewed or extended, except by ordinance. No franchise shall be granted for a period exceeding thirty years, and no amendment or ad-

dition thereto shall extend beyond the termination of the original franchise. (Acts 1921 (Munl. ch.), ch. 30, § 12.)

*For state law as to cases requiring enactment of ordinance, see W. Va. Code, § 8-11-3. As to procedures for enactment of ordinances, "notwithstanding any charter provision to the contrary," see W. Va. Code, § 8-11-4.*

Sec. 13. Prohibited taking of gifts or accepting of services by city officers and employees; contracts void when in violation of this section.

No officer or employee of said city shall accept or receive, directly or indirectly, from any person, firm or corporation, operating within the territorial limits of said city any interurban railway, street railway, gas works, water works, electric light or power plant, heating plant, telegraph line or exchange, or other business using or operating under a public franchise, any frank, free pass, free ticket, or free service, or accepts or receives [accept or receive], directly or indirectly, from any such person, firm or corporation, any other service upon terms more favorable than is granted to the public generally. Any violation of the provisions of this section shall be a misdemeanor, and every such contract or agreement shall be void.

Such prohibition of free transportation shall not apply to policemen or firemen in uniform; nor shall any free service to city officials heretofore provided by any franchise or ordinance be affected by this section. (Acts 1921 (Munl. ch.), ch. 30, § 13.)

Sec. 14. Authority of council to create civil service board and to establish civil service throughout city.

Council may create by appointment, a civil service board, consisting of three residents of the city, whose duty it shall be to examine all applicants for positions in the departments of police, fire, and such other departments as may be ordained, including the chiefs of such departments; and shall define the terms and prescribe the duties of the members of said board. All appointments to said departments shall be made from applicants recommended by said board, and when appointed, shall be removed only for cause. (Acts 1921 (Munl. ch.), ch. 30, § 14.)

Sec. 15. Authority of council to publish receipts and expenditures; annual audit of all city books and accounts, and publication of results.

The council may each month print a pamphlet for a detailed itemized statement of all receipts and expenses of the city and a summary of its proceedings

during the preceding month, and furnish printed copies thereof to the state library, the weekly newspapers of the city, and to persons who apply therefor at the office of the city clerk. At the end of each year the council shall cause a full and complete examination of all books and accounts of the city to be made by competent accountants and shall publish the results of such examination in the manner provided for publication of statements of monthly expenditures. (Acts 1921 (Munl. ch.), ch. 30, § 15.)

*For state law as to annual financial statements required of all municipalities, see W. Va. Code, § 8-13-23.*

Sec. 16. Special appropriations authority of city council elected in 1921; section now obsolete.

*Editor's note.--The text of this section, being § 16, ch. 30, Acts 1921, (Munl. ch.), is omitted as obsolete.*

Sec. 17. "Officers," "franchise" and "electors," as used in Charter, defined.

In the construction of this act [Charter] the following rules shall be observed, unless such construction would be inconsistent with the manifest intent, or repugnant to the context:

(a) When an "officer" or "officers" is named in any law referred to in this act it shall, when applied to said city, be construed to mean the officer or officers having the same functions or duties under the provisions of this act, or under ordinances passed under authority thereof.

(b) The word "franchise" shall include every special privilege in the streets, highways and public places of the city, whether granted by the state or the city, which does not belong to citizens generally by common right.

(c) The word "electors" shall be construed to mean persons qualified to vote for elective officers at regular municipal elections. (Acts 1921 (Munl. ch.), ch. 30, § 17.)

Sec. 18. Power of council to levy and collect taxes on real and personal property, and to grant licenses and collect license taxes thereon.

Council shall have the right to levy and collect taxes on property, real and personal, and to grant licenses, and to assess and collect taxes on such licenses as are taxable under the laws of the State of West Virginia, not to exceed in amount and rate the tax on such licenses imposed by the State of West Virginia. (Acts 1921 (Munl. ch.), ch. 30, § 18.)

Sec. 19. Paving and sewerage; two-thirds of cost to be paid by property owners; street railways' part; one-tenth to be paid each year; cost a lien upon property; statements of assessments to be recorded in office of clerk of county court; default in payment, how collected; notices describing improvements and property giving amount of assessments to be published; grievances; council to appoint day for hearing; bonds for pavements, sidewalks and sewers; how same are to be issued; not to be sold for less than par; payable in ten years; assessments applied to liquidation; debts not to exceed five per centum of taxable property; to be submitted to voters and receive three-fifths of votes cast; issue not to exceed amount authorized by election; chapter forty-seven-a of the code to apply; plans, specifications, profiles and estimates to be on file for examination; notice giving nature of work and manner of payment to be published.

The council of the city may cause any street or alley or part thereof, to be paved with cobblestone, brick, concrete or other suitable material, curbing and suitable sidewalks laid, and a sewer or sewers to be constructed therein, or to have such paving done without the construction of such sewer or sewers, or a sewer or sewers constructed without such paving under such regulations, not inconsistent with the provisions of this section, as shall be fixed by council, upon the lowest and best terms to be obtained by the council by advertising for bids or proposals therefor, and two-thirds of the cost thereof (which cost shall include the cost and expense of preliminary and other survey, of printing and publishing all notices required to be published in relation thereto, and the cost of construction) shall be assessed to and paid by the owners of the lots or fractional parts of lots abutting or bounding on that part of the street so improved, paved or sewerage; and against the said lots or fractional parts of lots abutting or bounding on that part of the street so improved, paved or sewerage; and against the said lots or fractional parts of lots in proportion to the number of feet frontage owned by each, and one-third of the cost thereof and the whole of the cost of paving and sewerage intersections of streets and public alleys, and the proportion for lots, or parts of lots, or property against which no assessment can be legally made, shall be assessed to and paid by the city; provided, further, in case of a street or public alley occupied by street car tracks or other railway, the cost of paving the space between the rails, and for two feet additional outside each rail, shall be assessed to and paid by the street car or other railway company.

The amount assessed against such abutting lots, or fractional parts of lots, to the said abutting property owners, the city and street car or other railway company, as aforesaid, respectively, shall be paid in ten payments as follows: that is to say, one-tenth of said amount, together with the interest at the rate of six per centum from the acceptance of the work by the city on the whole assessment, shall be paid to the city on or before the first day of May next after the work is accepted, and a like one-tenth, together with interest for one year

upon the whole amount remaining unpaid, on or before the first day of May in each succeeding year, thereafter, until all has been paid; and each installment shall bear interest at the rate of six per centum per annum from the date of its maturity; and, moreover, to each installment remaining unpaid on the days herein specified for the payment thereof, a penalty of ten per centum per annum of said installment shall be added and collected by the city. Provided, however, that any abutting property owner, the city, or street car or other railway company, against whom or against whose property said assessments have been made, shall have the right at any time after such assessments shall have been certified to the superintendent of the department of accounts and finance for collection, as hereinafter provided, to anticipate any or all of such assessments and shall be allowed to pay the face of said assessments with interest only to the time of payment.

(a) The sum or sums of money so assessed, together with the interest and penalty aforesaid, for paving or sewerage, or other said improvements, shall be a lien upon the lots or fractional parts of lots, and in case of a street car or other railway company, upon its tracks for the distance of said improvement, from the date of acceptance of said work by the city, and said lien shall have priority over all other liens, except those for taxes due to the state, and shall be on a parity with the taxes and assessments due the city; provided, however, such assessments shall, after six months from the date of the acceptance of said work, cease to constitute liens against said property as against creditors of the owners thereof or purchasers thereof for value without actual notice of such liens unless within six months a statement of said liens, certified as hereinafter provided, shall be filed for record in the office of the clerk of the county court of the county in which said property is situated.

(b) Immediately upon the acceptance of the work by the city, the clerk shall make out bills for the sums of money assessed as aforesaid against the property owners aforesaid, and shall at the same time make and certify a statement of the assessments aforesaid in which shall be given the location of the real estate affected, and the name of the owner, the date of the acceptance of said work by the city, and the amount of the assessment, and it shall be sufficient description of the location of said real estate to describe it as abutting upon said improvement included between the terminal of said improvement, or by the description by which it is described on the land books of the county in which said lots are situated, and shall cause said statement to be immediately recorded in the office of the clerk of the county court of the county in which such property is situated; and it shall be, and it is hereby made the duty of said county clerk, to record said statement in the trust deed books in the name of the city and also in the name of each person against whose property said assessments appear therein, and said clerk shall be paid for recording said statement the same fees as for recording deeds of trust. And said bills for said assessment shall be charged to the superintendent of the department of accounts and finance and immediately certified and delivered for collection.

(c) Upon default being made in the payment of any installment of the assessment aforesaid, the same shall be immediately reported to the council by the superintendent of the department of accounts and finance, and the council shall forthwith refer the same to such officer as it may deem expedient, for collection, and payment of said delinquent installments, with the interest and the penalty aforesaid, may be enforced in all respects as provided for the collection of city taxes, or the lien aforesaid may be enforced by a suit in equity in the name of the city in any court having jurisdiction thereof; and the said delinquent assessments or any installment thereof, may be collected from the person against whom the same were assessed by action at law before any court or a justice of the peace having jurisdiction thereof.

(d) Immediately upon the completion and acceptance of any of the work aforesaid, constructed by virtue of this section, the council shall direct the clerk to cause to be prepared a notice which shall name and describe the location of the street or alley upon which said work shall have been constructed; give the names of the owners of each lot or fractional part of lot abutting or bounding upon said street or alley, and also the name of any street car or other railroad company having tracks upon said street or alley, where assessed for paving, if known, and if the name or names of the owners or owner of any lot or fractional part of lot, or of such street car or other railway company are unknown, such lot or fractional part of lot, and the location of the paving assessed to such street car or other railway company, shall be described with reasonable certainty so that the same may be identified. The number of feet that each lot or a fractional part of lot abuts upon said street or alley, the street or alley intersections and all abutting city property and property not liable to assessment, and the number of square feet or yards to be paid for by said street car or other railway company, also the amount assessed against the city, as well as the amount assessed against any street car or other railway company, shall be stated. Said notice shall cite all owners of lots or fractional parts of lots abutting upon the streets or alleys aforesaid, and also said street car or other railway company, to appear before the council at a regular meeting thereof within thirty days from the first publication thereof and show cause, if any, they can, why the assessments aforesaid should not become final, which notice shall be published once a week for two successive weeks in one or more newspapers of general circulation published in said county, and affidavits of the publication of such notices showing the publication thereof as herein provided, shall be recorded in the minutes of the council at their next regular meeting. The council shall, upon the request of any one or more of the owners of said lots or fractional parts of lots, or of said street car or other railway company, appoint a day for hearing the grievances of said owner or owners, street car or other railway company, and may correct or amend any assessment made against them, or any one of them, for good cause shown. The clerk shall give notice to all persons claiming to be injured by said assessment, of the time and place of hearing said matters, which meeting shall be held within ten days after the expiration of the thirty days mentioned in said notice. The council may adjourn the hearing from time to time. In case any owner or owners of abutting property, or street car or other railway company, fail to complain of any damage

or injury they may have suffered or may suffer, by reason of the assessments aforesaid, and shall fail to appear for the purpose of having the same corrected, the assessments as to them, as laid, shall be final, and the said assessments shall then be recorded in the book in which the plans, specifications, profiles and estimates are recorded under the provisions hereof and next following the same therein. The finding of said council shall be conclusive. The rights conferred by this section are cumulative and shall not be exhausted as to any particular street or alley by reason of having been once exercised.

(e) Whenever it is deemed expedient by the council to provide for paving, sidewalks, curbing or sewers in or upon any of the streets or alleys of the city by the issue and sale of bonds of the city, it shall, by resolution entered of record on the minutes of its proceedings, so declare and thereupon the city shall be and is hereby empowered and authorized to issue its bonds for the purpose of providing for paving, laying sidewalks, curbing the streets and alleys of the city, in anticipation of special assessments to be made upon the property abutting upon the streets and alleys so improved, and upon street car and other railway companies occupying the said streets or alleys with tracks, and such bonds may be in such amount as shall be sufficient to pay the entire cost and expense of said improvements for which such special assessments are levied; and said city is also authorized to sell said bonds as a whole issue at one time or in separate lots or parcels from time to time as the council may deem advisable; provided, that the price for which they are sold shall not be below the par value of said bonds; said bonds shall be payable not to exceed ten years from the date of the issue thereof and shall bear interest at the rate not to exceed six per centum per annum, payable semi-annually, and in the issuance and sale of said bonds the city shall be governed by all the restrictions and limitations of the Constitution of the state, and, so far as not in conflict with the provisions of this section, by the restrictions and limitations of this state with respect to the issuance and sale of other bonds; and the assessments, as paid and provided for in this section, shall be applied to the liquidation of said bonds and the interest thereon and to that end paid to the trustees of the sinking fund of the city to be by them invested for the best advantage of the city, anything in any general or special statute of the state notwithstanding to the contrary; and if by reason of penalties collected with the delinquent installments there may be any balance after the payment of said bonds and all accrued interest and costs, the said balance shall be turned into the city treasury to the credit of a fund for street improvements for said city and used for no other purpose; provided, that the city shall not by the sale or issue of such bonds therein; nor shall said city make such issue and sale without at the same time providing for the collection of a direct annual tax sufficient to pay annually the interest on such debt and principal thereof within and not exceeding ten years.

All the assessments, interest and penalties thereon collected from the abutting property owners on account of the grading, paving, sewerage or otherwise improving the streets and alleys of the city, under the provisions of this section, shall annually be applied to the annual tax required to pay the interest on such debt and such principal within and not exceeding ten years; and in the event that the assessments, interest and penalties so collected should not amount to the

sum sufficient to pay annually the interest on such debt and the principal thereof within and not exceeding ten years, then the council shall collect so much of said levy as will pay annually the interest on such debt and the principal thereof within and not exceeding ten years.

(f) It is especially provided that no bonds shall be issued under the provisions of this section, unless and until the question of issuing said bonds shall have first been submitted to a vote of the people of the city and shall have received three-fifths of all votes cast at said election for or against the same. The council may provide by ordinance for an election every year at which the question shall be submitted to the people as to whether the city shall be authorized to issue bonds for the purpose and under the provisions of this section, to an amount not to exceed in the ensuing year the amount recommended by said ordinance for said ensuing year; but the ordinance providing for said election need not specify in detail the location of the improvements contemplated to be paid for during the ensuing year out of said aggregate issue authorized for said year; and it shall be sufficient description of the purpose for which said election is held, if the ordinance calling the same shall cite that it authorizes the council to issue bonds for the purpose of paving, curbing, laying sidewalks or sewerage the streets and alleys of said city, at such time as the council shall see fit during the ensuing year ending on the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_, to an amount not exceeding in the aggregate during said year the sum of \$\_\_\_\_; and when the council shall have once been authorized by a vote of the people to issue bonds for the said purpose and to a sum not to exceed the amount set forth in the ordinance calling the said election, no further election shall be necessary for the issuing of bonds during said ensuing year up to the amount stipulated in said ordinance calling said election; but the council shall from time to time during the ensuing year by ordinance authorize the issue of said bonds, in such sums, and for the improvements of such streets and alleys as to it may seem best; provided, the requirements of this section are complied with. The aggregate amount of bonds authorized by said annual election shall not be exceeded during said year, unless and except the same be authorized by a special election held at a subsequent time in said year and duly called as provided for the calling of the annual bond election.

The provisions of chapter 47a of the code concerning bond elections, [Barnes' Code of West Virginia, 1923], shall, so far as they are not in conflict with the provisions of this section, apply to the annual bond elections and special bond elections herein provided for.

*Editor's note.--Those provisions of Barnes' Code of W. Va. which are still in effect are covered by or set out in W. Va. Const., art. X, § 1, and W. Va. Code, § 8-13-23 and ch. 13, art. 3.*

(g) Whenever it is deemed expedient by the council to provide for paying, curbing, sidewalks or sewers, or any other improvements on any streets or alleys of the city in whole or part, either by the issue of bonds theretofore authorized as herein provided, or by the appropriation of funds in the city treasury not otherwise appropriated, it shall first, having on file in the city clerk's office plans, specifications, profiles and estimates of the proposed improvements, showing the proposed grade of the street, or alley, after completion with reference to the abutting property, declare by resolution the expediency of the work; and said plans, specifications, profiles and estimates shall be open to public inspection.

Said resolutions shall determine the general nature of the work, the method of paying for the same, whether by an appropriation from the funds in the treasury not otherwise appropriated, or whether or not the bonds theretofore, as in this section provided, should be issued and sold; said resolution shall be complete in the form in which it is finally passed and remain on file with the city clerk for public inspection one week before the final passage or adoption thereof. Immediately upon the filing of said resolution with the clerk, a copy thereof shall be published once in some newspaper of general circulation in the city, and affidavits of the publishers of said newspapers showing the publication, with a copy of the notice attached, shall be spread upon the minutes of the meeting of the council at which said resolution is passed or adopted. Said resolution shall be posted at the front door of the building where the council holds its meetings on the day it is filed as aforesaid, and affidavit thereof shall be recorded in the minutes of the council at the next regular meeting.

Until said resolution is finally passed, the council shall hear all persons interested in relation thereto at any regular meeting, and if it decides to proceed with the improvement, it shall pass said resolution. And then said council may by resolution correct or amend said plans, specifications, profiles and estimates and approve and adopt them as so corrected, or as they were in their original form as to it may seem proper; and said plans, specifications, profiles and estimates shall be forthwith filed with the city clerk and by him recorded and attested in a well bound and permanent record book to be kept in his office. Both resolutions shall be in effect when finally passed.

The council may then adopt and pass ordinances for said purpose which shall provide generally the character of the work, make appropriations for the payment thereof, fix the time of payment of assessments therefor and the manner of giving notice of said assessment and correcting the same and providing advertisements for bids for said work; shall also set forth the streets and alleys upon which the property is to be assessed for said improvements, the general character of materials which may be bid upon therefor, the mode of payment for same and a reference to the resolution theretofore passed for said improvements, giving the date of passage, and a statement of the intention of council to proceed therewith in accordance with said resolution and in accordance with the plans, specifications, estimates and profiles provided for such improvements.

In any case where the council has determined to pay for any of such improvements out of the funds in the city treasury not otherwise appropriated, and not by the issuance or sale of bonds, said ordinance shall be passed and become effective as provided in section 12 of this chapter [Charter]; but in the event it has been determined to issue and sell bonds for the payment thereof, the said ordinance shall not be effective so as to permit any contract to be made or work to be done thereunder until, in addition to the compliance with the provisions of section 12, the fact that the proceeds of the sale of said bonds have been received by the city shall be certified by the superintendent of the department of accounts and finance and such certificate entered upon the minutes of the council.

(h) When the whole or any portion of the improvements authorized by this section passes through or by a public market, space, park, cemetery, structure for the fire department, water works, school building, infirmary, market house, work house, hospital, house of refuge, bridge, gas works, public prison, church, or any other public structure or public grounds, within said city, and belonging to said city, or to the county, state, board of education, or any church association or eleemosynary institution, the council shall direct the proper proportion of the cost and expenses of the improvements to be certified to the clerk of the county court of the county, wherein said city is situate, and the same shall thereupon be recorded by said clerk in the proper trust deed book and shall thereupon become a lien against said property and collectable as other assessments are collected against individuals under this section; and it shall be the duty of those persons, having charge of the fiscal affairs of any such property or institution, to make proper arrangements for meeting of such assessments when due and payable.

(i) All acts or parts of acts, whether special or general, which are in conflict with the provisions of this act [Charter], so far as they may apply to the City of Williamstown are to that extent repealed, except that said city may continue to pave sidewalks as the Town of Williamstown has authorized, and nothing herein contained shall in anywise affect or impair the right of the city to enforce the collection of any and all paving, sewerage or sidewalk bills or assessments, heretofore issued, laid or levied by the said City of Williamstown or Town of Williamstown, by virtue of any authority had by it. (Acts 1921 (Munl. ch.), ch. 30, § 19.)

Sec. 20. Limited authority to levy annual tax on real and personal property for paving and for sewer construction.

The council shall have authority to levy and collect an annual tax for the purpose hereinafter specified, on the personal property and real estate in said city subject to taxation by said city, not to exceed in any year ten cents on every hundred dollars of the assessed value thereof; the money so collected shall be used for the purpose of paying its proportion of the cost of paving or re-paving streets and alleys and for constructing sewers in said city, in accordance with

the provisions of section 19 of this act [Charter]; and such money shall in no case be used to pay for repairs or streets or alleys or sewers, or for any other purpose than for paving or for sewers. Provided, that the total levy for all purposes shall not exceed the total levy authorized by law. (Acts 1921 (Munl. ch.) ch. 30, § 20.)

Sec. 21. Procedure for recall of elected officer and to elect a successor; person sought to be recalled may be candidate to succeed himself.

The holder of any elective office may be removed at any time by the electors qualified to vote for a successor of such incumbent. The procedure to effect the removal of an incumbent of an elective office shall be as follows: A petition signed by electors entitled to vote for a successor to the incumbent sought to be removed, equal in number to at least twenty per centum of the entire vote for all candidates for the office of mayor cast at the last preceding general municipal election, demanding an election of a successor of the person sought to be removed, shall be filed with the city clerk; which petition shall contain a general statement of the grounds for which the removal is sought. The signatures to the petition need not be appended to one paper, but each signer shall add to his signature his place of residence, giving the street number. One of the signers of each such paper shall make oath before an officer competent to administer oaths, that the statements therein made are true as he believes, and that each signature to the paper appended is the genuine signature of the person whose name it purports to be. Within ten days from the date of filing such petition, the city clerk shall examine, and from the voters' register ascertain whether or not said petition is signed by the requisite number of qualified electors, and if necessary, the council shall allow him to have extra help for that purpose, and he shall attach to said petition his certificate showing the result of said examination. If by the clerk's certificate, the petition is shown to be insufficient, it may be amended within ten days from the date of said certificate. The clerk shall, within ten days after such amendment, make like examination of the amended petition and if his certificate shall show the same to be insufficient, it shall be returned to the person filing the same; without prejudice, however, to the filing of a new petition to the same effect. If the petition shall be deemed to be sufficient, the clerk shall submit the same to the council without delay. If the petition shall be found to be sufficient, the council shall order and fix a date for holding said election, not less than thirty days nor more than forty days from the date of the clerk's certificate to the council that a sufficient petition is filed.

The council shall make, or cause to be made, publication of notice and all arrangements for holding such election, and the same shall be conducted, returned, and the result thereof declared in all respects as are other city elections. So far as applicable, except as otherwise herein provided, nominations hereunder shall be made without the intervention of a primary election by filing with the clerk, at least ten days prior to said special election, a statement of candidacy accompanied by a petition signed by electors entitled to vote at said special election, equal in number to at least ten per centum of the entire vote for all candidates for the office of mayor at the last preceding general municipal election;

which said statement of candidacy and petition shall be substantially in the form set out in section 5 of this act [Charter], so far as the same is applicable, substituting the word "special" for the word "primary" in such statement and petition and stating therein that such person is a candidate for election instead of nomination.

*Editor's note.--By home rule ordinance enacted in 1972, section 5 of the Charter was amended so as to abolish primary elections; and this section should be construed accordingly.*

The ballot for such special election shall be in substantially the following form:

"Official Ballot.

"Special election for the balance of the unexpired term of \_\_\_\_\_, as \_\_\_\_\_

"For \_\_\_\_\_  
"(Vote for one only)  
"(Name of candidate)

"[ ] \_\_\_\_\_  
"[ ] \_\_\_\_\_

"Name of present incumbent.  
"Official ballot, attest:  
"Signature \_\_\_\_\_  
City Clerk."

The successor of any officer shall hold office during the unexpired term of his predecessor. Any person sought to be removed may be a candidate to succeed himself, and unless he requests otherwise in writing, the clerk shall place his name on the official ballot without nomination. In any such removal election, the candidate receiving the highest number of votes shall be declared elected. At such election, if some other person than the incumbent receives the highest number of votes, the incumbent shall thereupon be deemed removed from office upon qualification of his successor. In case the party who received the highest number of votes shall fail to qualify within ten days after receiving notification of election, the office shall be deemed vacant. If the incumbent receives the highest number of votes, he shall continue in office. The said method of removal shall be cumulative and additional to the methods heretofore provided by law. (Acts 1921 (Munl. ch.), ch. 30, § 21.)

Sec. 22. Initiative and referendum; ordinances adopted by vote of electorate may be repealed only by vote of electorate.

Any proposed ordinance may be submitted to the council by petition signed by electors of the city equal in number to the percentage hereinafter required.

The signatures, verifications, inspection, certification, amendment and submission of such petition shall be the same as provided for petition under section 21 hereof.

If this petition accompanying the proposed ordinance be signed by electors equal in number to twenty per centum of the votes cast for all candidates for mayor at the last preceding general election, and contain a request that the said ordinance be submitted to a vote of the people, if not passed by the council, such council shall either--

(a) Pass such ordinance without alteration within twenty days after attachment of the clerk's certificate to the accompanying petition; or,

(b) Forthwith, after the clerk shall attach to the petition accompanying such ordinance his certificate of sufficiency, the council shall call a special election, unless the general municipal election is fixed within ninety days thereafter, and at such special or general municipal election, if one is fixed, such ordinance shall be submitted without alteration to the vote of the electors of said city. But if the petition is signed by no less than ten per centum of the electors, as above defined, then the council shall within twenty days, pass said ordinance without change, or submit the same at the next general election, occurring not more than ninety days nor less than thirty days after the clerk's certificate of sufficiency is attached to said petition.

The ballots used when voting upon said ordinance shall contain these words: "for the ordinance" and "against the ordinance" (stating the nature of the proposed ordinance). If the majority of the qualified electors voting on the proposed ordinance shall vote in favor thereof, such ordinance shall thereupon become a valid and binding ordinance of the city; and any ordinance proposed by petition or which shall be adopted by a vote of the people, cannot be repealed or amended except by a vote of the people. Any number of proposed ordinances may be voted upon at the same election in accordance with the provisions of this section; but there shall not be more than one special election in any period of six months for such purpose.

The council may submit a proposition for the repeal of any such ordinance or for amendment thereto, to be voted upon at any succeeding general city election; and should such proposition so submitted receive a majority of the votes cast thereon at such election, such ordinance shall thereby be repealed or amended accordingly. Whenever any ordinance or proposition is required by this act [Charter] to be submitted to the voters of the city at any election, the city clerk shall cause such ordinance or proposition to be published once in one of the newspapers published in said city; such publication to be not more than twenty nor less than five days before the submission of such proposition or ordinance to be voted on. (Acts 1921 (Munl. ch.), ch. 30, § 22.)

Sec. 23. Effective date of ordinances and franchises and required posting thereof; suspension from operation upon protest of twenty per centum of voters; submission to election.

No ordinance or franchise passed by the council, except when otherwise required by the general laws of the state or by the provisions of this act [Charter], except no ordinance for the immediate preservation of the public peace, health or safety, which shall contain a statement of its urgency, shall go into effect before ten days from the time of its final passage, and not then unless within two days after passage, Sundays and holidays excepted, copies of the same shall have been posted and left posted at the mayor's office and at least three other public places in the said city. And if during said ten days a petition signed by electors of the city, equal in number to at least twenty per centum of the entire votes cast for all candidates for mayor at the last preceding general municipal election at which a mayor was elected, protesting against the passage of such ordinance or franchise, be presented to the council, the said ordinance or franchise shall thereupon be suspended from going into operation; and it shall be the duty of the council to reconsider such ordinance or franchise, and if the same is not entirely repealed, the council shall submit the ordinance or franchise, as is provided by subsection "b" of section 22 of this act [Charter], to the vote of the electors of the city, either at a general election or at a special municipal election to be called for that purpose; and such ordinance or franchise shall not go into effect or become operative unless a majority of the qualified electors voting on the same shall vote in favor thereof. Said petition shall be in all respects in accordance with the provisions of said section 22, except as to the percentage of signers, and be examined and certified to the clerk in all respects as therein provided. (Acts 1921 (Munl. ch.), ch. 30, § 23.)

*For state law as to procedures for adoption of municipal ordinances, "notwithstanding any charter provision to the contrary", see W. Va. Code, § 8-11-4.*

Sec. 24. Petitions to be signed by legal voters only, supported by affidavit.

Petitions provided for in this act [Charter] shall be signed by none but legal voters of the city. Each petition shall contain in addition to the names of the petitioners, the street on which petitioner resides, his age and length of residence in the city. It also shall be accompanied by the affidavit of one or more legal voters of the city, stating that the signers thereof were at the time of signing, legal voters of said city, and the number of signers at the time the affidavit was made. (Acts 1921 (Munl. ch.), ch. 30, § 24.)

Sec. 25. Reiteration of authority of council to levy annual tax on real and personal property; other taxing authority; taxes to be uniform; limitation on taxation.

The council shall have authority to levy and collect an annual tax on real estate and personal property in said city, and to impose a license and assess a

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tax thereon on wheeled vehicles for public hire and for all dogs kept within said city, and to impose a tax upon all other subjects of taxation under the several laws of the state, which shall be uniform with respect to persons and property within the jurisdiction of said city, and shall only be levied on such property, real, personal and mixed on which the state imposes a tax; provided, that no greater levy shall be laid by said council on the taxable property of said city than is permitted to be laid under any state law, relating to municipalities, except as herein provided; and, provided, further, that the council shall in making such levy, be subject to all the provisions of chapter 9 of the acts of the legislature of 1908 and any and all amendments thereto, except as herein provided. (Acts 1921 (Munl. ch.), ch. 30, § 25.)

Editor's note.--The provisions of Acts 1908, chapter 9, are now codified in W. Va. Code, §§ 11-8-9, 11-8-10, 11-8-12, 11-8-14, 11-8-16 to 11-8-18, 11-8-26.

Sec. 99. Authority to acquire and equip various public utilities, parks, buildings, etc., and to issue and sell bonds for such purpose subject to conditions and limitations herein specified.

Editor's note.--There are no sections 26 through 98 of this Charter.

The said City of Williamstown is hereby authorized to purchase, build and equip electric light plants, water works and distribution lines and mains, public parks, playgrounds and municipal buildings and to issue and sell the bonds of said city for that purpose, but in no event shall the aggregate indebtedness of said city, bonded, funded or otherwise, exceed five per centum of the assessed value of the property within said city; and, provided further, that in no event shall any bonds be issued by said city unless and until the question of the issuance thereof shall be submitted to the legal voters thereof and be authorized by a three-fifths vote in favor thereof; and, provided, further, that no bonds shall be issued unless provision be made for sufficient levy to pay the interest and principal thereof as the same shall become due and payable according to the tenor of the said bonds; said bonds may be serial bonds, and no bonds shall be issued for a longer period than thirty years, and the submission and all orders and ordinances in reference thereto shall be under and according to the provisions of chapter 47a of Barnes' Code of West Virginia, 1923, insofar as the same may be applicable. (Added by Acts 1925 (Munl. ch.), ch. 14, § 99.)

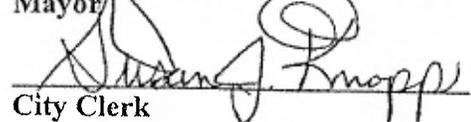
Editor's note.--Those provisions of chapter 47a of Barnes' Code of W. Va. which are still in effect are covered by or set out in W. Va. Const., art. X, § 1, and W. Va. Code, § 8-13-23 and ch. 13, art. 3.

**ORDINANCE PROVIDING FOR A SPECIAL MUNICIPAL ELECTION TO  
CONSIDER PROPOSED CHARTER AMENDMENT**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF  
WILLIAMSTOWN** that in accordance with the provisions of West Virginia Code,  
Chapter 8, Article 4, Section 7, a Special Municipal Election shall be held on the 5<sup>th</sup> day  
of November, 2002, to consider a proposed amendment to Section 4 of the Charter of the  
City of Williamstown.

The proposed amendment to Section 4 of the Charter of the City of Williamstown  
is fully set forth on Exhibit A attached hereto and incorporated herein by reference.

Be it further **ORDAINED** that the language upon the ballot for the Special  
Municipal Election on the 5<sup>th</sup> day of November 2002 shall be as set forth on Exhibit B,  
which is attached hereto and incorporated herein by reference.

  
\_\_\_\_\_  
Mayor  
  
\_\_\_\_\_  
City Clerk

**First Reading: August 6, 2002**

**Second Reading: September 17, 2002**

EXHIBIT A

THE FOLLOWING IS THE AMENDED SECTION 4 OF THE CHARTER OF THE CITY OF WILLIAMSTOWN TO BE CONSIDERED AT THE SPECIAL MUNICIPAL ELECTION ON THE 5<sup>TH</sup> DAY OF NOVEMBER, 2002.

Section 4

Mayor and four Councilmen at large constitute City Council; Governing Body; Election Date and Terms of Office; Filling Vacancies.

The governing body of the City shall be a Council composed of a Mayor and four Councilmen who shall be elected at large. The elections shall be held in the City every two years on the second Tuesday in May of each even numbered year. The first election under this section as hereby amended shall be held on the second Tuesday in May in the year 2004.

*In order to achieve the transition from odd numbered to even numbered year elections as provided by this section as hereby amended, the terms of the incumbent Mayor and incumbent Councilmen whose terms were scheduled to expire in June 2003, shall be extended for an additional one year ending on June 30, 2004, and the terms of the incumbent Councilmen whose terms were scheduled to expire in June 2005, shall be extended by one year ending on June 30, 2006.*

*At the election in 2004, a Mayor shall be elected for a term of two years commencing on July 1, 2004, and at all subsequent elections held, there shall be a Mayor to be elected to serve for two years.*

*In the election of 2004, two members of Council shall be elected at large for a term of four years, commencing July 1, 2004. Each such Councilman elected shall serve for a term of four years, and elections shall be held for said Council seats thereafter in four year intervals.*

*Beginning with the election of 2006, two members of Council shall be elected at large for a term of four years commencing July 1, 2006. Each such Councilman elected shall serve for a term of four years and elections shall be held for said Council seats thereafter in four year intervals.*

If any vacancy occurs in any such office, the remaining members of the said Council shall appoint an eligible person to fill such vacancy during the balance of the unexpired term.

EXHIBIT B

Ballot language for the proposed charter amendment shall be as follows:

PROPOSITION TO AMEND THE CHARTER OF THE CITY OF WILLIAMSTOWN

The purpose of the amendment is to revise Section 4 of the Charter of the City of Williamstown by providing that all municipal elections of the City be held on the second Tuesday in May of each even numbered year, commencing with the year 2004. In order to accomplish the transition from odd numbered to even numbered year elections, the current term of the incumbent Mayor and members of City Council shall be extended by one year.

**AN ORDINANCE AMENDING SECTION 5 OF THE CHARTER OF THE  
CITY OF WILLIAMSTOWN**

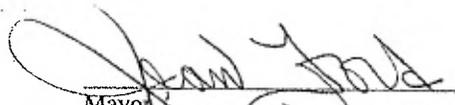
The Council of the City of Williamstown hereby ordains that Section 5 of the Charter of the City of Williamstown shall be amended pursuant to the provisions of West Virginia Code, Chapter 8, Article 4, Section 8, to reflect the following change:

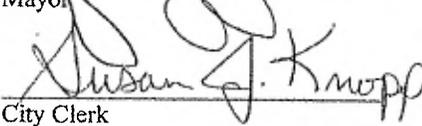
“Any person desiring to become a candidate for Mayor or Council shall, no later than the third Tuesday in February prior to said election, file with the City Clerk a statement of such candidacy in substantially the following form.”

Be it further **ORDAINED** that upon adoption of this ordinance upon first reading that the same shall be considered on second reading at the regular meeting of City Council on the 6<sup>th</sup> day of January, 2004, at which time a public hearing shall be held in the Chambers of City Council on said date commencing at 7:30 p.m., or as soon thereafter as the same may be heard.

Said proposed amendment, together with a notice of the date, time, and place affixed for the hearing, is to be published as a Class II-0 legal advertisement in accordance with the provisions of Article 3, Chapter 59, of the West Virginia Code, and which said notice shall state that the proposed amendment will be considered on the date and time herein specified, and that any qualified voter or any freeholder of the city may appear and file objections, in writing, and also that if no objections are filed, said amendment shall become operative on and after the 19<sup>th</sup> day of January, 2004.

First Reading: December 2, 2003  
Second Reading: January 6, 2004

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
City Clerk

AN ORDINANCE AMENDING SECTION 10 OF THE CHARTER OF THE  
CITY OF WILLIAMSTOWN

Be it ordained by the Council of the City of Williamstown that in accordance with the provisions of West Virginia Code Chapter 8, Article 4, Section 8, that Section 10 of the Charter of the City of Williamstown be amended as follows:

"Section 10 - Office or Offices for Mayor and Council: Compensation of Mayor, Councilmen and all other Officers and Employees, and how paid.

The Mayor and Council shall have an office or offices and their total compensation shall be as follows: the annual salary of the Mayor, *effective for the term of the Mayor commencing July 1, 2004, shall be \$2,000.00, and the annual salary of each Councilman, effective from and after July 1, 2004, shall be \$1,000.00*, which salaries shall be payable in equal quarterly installments.

*The salaries of Mayor and Councilmen may be increased by Ordinance duly adopted by City Council, after giving notice of a public hearing prior to the adoption of same, provided that the compensation of the Mayor may not be increased during his or her term of office, nor shall the salary of any member of City Council be increased during his or her term of office, unless significant additional duties are imposed upon such member of Council by ordinance.*

Every other officer or assistant shall receive such salary or compensation as the Council shall by ordinance provide, payable in equal monthly installments.

The salary and compensation of all other employees of said City shall be fixed by Council, and shall be payable monthly or at such shorter period as Council may determine."

The Council hereby further ordains that certain duties have and are hereby imposed upon

Councilman Marty Seufer and Ron Erb, who are currently within their terms of office.

Specifically, additional duties have and are hereby imposed upon Councilman Seufer to include assuming the extra duties of training city employees in the use of CAD for mapping of water lines, updating the city's computers, and additional training for city employees on the computers.

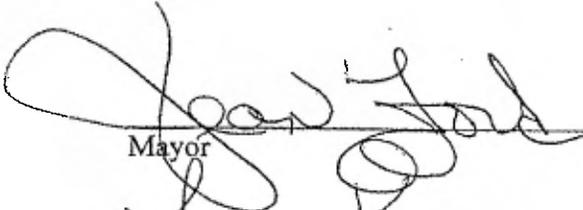
Additional duties have been and are hereby imposed upon Councilman, Ron Erb, which shall include extra duties being responsible for reviewing requirements of the new storm water management system, reporting to and making recommendations to Council on the changes and requirements of the storm management water system, and scheduling the training of city employees for the storm water management system.

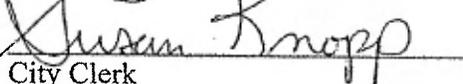
Be it further ordained that the Council of the City of Williamstown hereby declares and determines that the additional duties imposed upon Councilmen Seufer and Erb respectively, require significant additional responsibility such that an increase in compensation during their terms of office as authorized in the above referenced charter amendment are proper in accordance with previous decisions of the West Virginia Supreme Court of Appeals interpreting Article 6, Section 38, of the Constitution of West Virginia.

Be it further ordained, that upon adoption of this ordinance on first reading, the City Clerk is hereby authorized and directed to publish a notice for a public hearing upon the proposed amendment to the charter as herein set forth to be conducted at the regular meeting of City Council on the 6th day of July 2004, at 7:30 p.m., at which time this ordinance shall be considered upon second reading, all in

accordance with the provisions of West Virginia Code, Chapter 8, Article 4, Section 8.

First Reading: June 1, 2004  
Second Reading: July 6, 2004

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
City Clerk

**OATH OF OFFICE**

**I, Jean Ford,**

Do hereby solemnly swear

To support the Constitution of the United States of America,

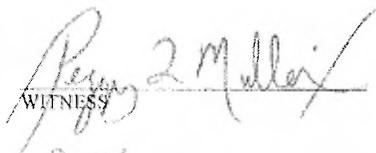
And the Constitution, of the State of West Virginia,

And perform the duties of Mayor

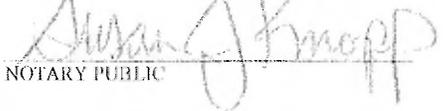
For the City of Williamstown, West Virginia

To the best of my ability, so help me God.

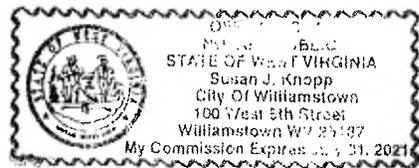
  
SIGNATURE

  
WITNESS

SUBSCRIBED AND SWORN BEFORE ME THIS 1<sup>st</sup> DAY OF July, 2014

  
NOTARY PUBLIC

7/31/21  
MY COMMISSION EXPIRES:



**OATH OF OFFICE**

**I, Marty Seufer,**

Do hereby solemnly swear

To support the Constitution of the United States of America,

And the Constitution, of the State of West Virginia,

And perform the duties of Councilperson

For the City of Williamstown, West Virginia

To the best of my ability, so help me God.

SIGNATURE

WITNESS

SUBSCRIBED AND SWORN BEFORE ME THIS 1<sup>st</sup> DAY OF July, 2014

NOTARY PUBLIC

MY COMMISSION EXPIRES: 7/31/21



**OATH OF OFFICE**

**I, Ron Erb,**

Do hereby solemnly swear

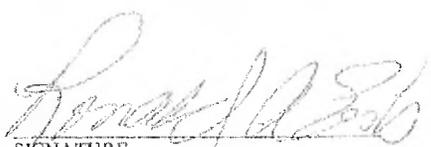
To support the Constitution of the United States of America,

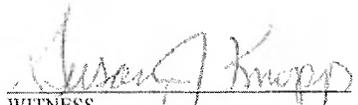
And the Constitution, of the State of West Virginia,

And perform the duties of Councilperson

For the City of Williamstown, West Virginia

To the best of my ability, so help me God.

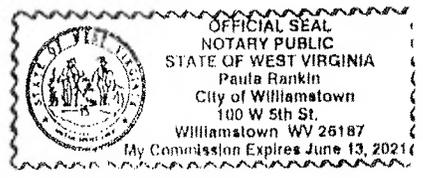
  
SIGNATURE

  
WITNESS

SUBSCRIBED AND SWORN BEFORE ME THIS 1<sup>st</sup> DAY OF July, 2014.

  
NOTARY PUBLIC

June 13, 2021  
MY COMMISSION EXPIRES:



**OATH OF OFFICE**

**I, Gene Duncan,**

Do hereby solemnly swear

To support the Constitution of the United States of America,

And the Constitution, of the State of West Virginia,

And perform the duties of Councilperson

For the City of Williamstown, West Virginia

To the best of my ability, so help me God.

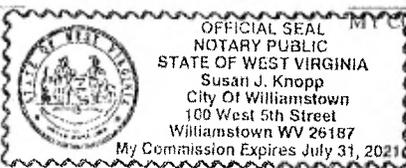
Gene Duncan  
SIGNATURE

Peggy M. Miller  
WITNESS

SUBSCRIBED AND SWORN BEFORE ME THIS 3<sup>rd</sup> DAY OF July, 2012

Susan J. Knopp  
NOTARY PUBLIC

July 31, 2021  
MY COMMISSION EXPIRES:



**OATH OF OFFICE**

**I, Barbara Lewis,**

Do hereby solemnly swear

To support the Constitution of the United States of America,

And the Constitution, of the State of West Virginia,

And perform the duties of Councilperson

For the City of Williamstown, West Virginia

To the best of my ability, so help me God.

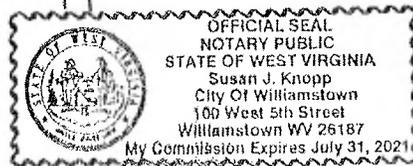
*Barbara Lewis*  
SIGNATURE

*Peggy M. Miller*  
WITNESS

SUBSCRIBED AND SWORN BEFORE ME THIS 3<sup>rd</sup> DAY OF July, 2012.

*Susan J. Knopp*  
NOTARY PUBLIC

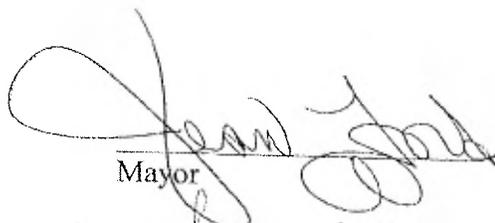
July 31, 2021  
MY COMMISSION EXPIRES:

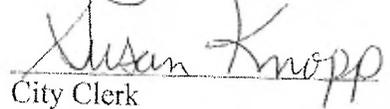


ORDINANCE INCREASING COMPENSATION FOR MEMBERS OF  
WILLIAMSTOWN SANITARY BOARD

BE IT ORDAINED by the Council of the City of Williamstown that all persons who serve upon the Williamstown Sanitary board shall be paid as compensation the sum of \$400.00 per calendar year, effective January 1, 2006. This Ordinance shall supersede and amend any prior Ordinances with respect to compensation of members of the Board.

First Reading: December 6, 2005  
Second Reading: January 3, 2006

  
\_\_\_\_\_  
Mayor

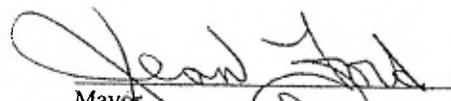
  
\_\_\_\_\_  
City Clerk

**AN ORDINANCE AMENDING ARTICLE IV OF THE CODIFIED  
ORDINANCES OF THE CITY OF WILLIAMSTOWN RELATING TO  
MEMBERS OF THE SANITARY BOARD**

Be it Ordained by the Council of the City of Williamstown that Article V, Section 19-15 of the Codified Ordinances of the City be amended and re-enacted as follows:

Section 19-15. Created; composition: appointment and terms of members.  
There is hereby created the Sanitary Board of the City, which shall be composed of the Mayor and *four* persons appointed by the City Council, one of whom must be a registered professional engineer. The engineer member of the Board need not be a resident of the City. *Members of the Board who were appointees at the time of the adoption of this amendment shall continue to serve for terms of three years from the date of their appointment, and appointment of successors shall be made in the like manner for terms of three years. The two additional members appointed subsequent to the adoption of this amendment shall serve for initial terms of two years, and upon the expiration of such terms, appointment of successors shall be made in like manner for terms of three years.* Vacancies shall be filled for an unexpired term in the same manner as the original appointment.

First Reading: March 2, 2004  
Second Reading: March 16, 2004

  
\_\_\_\_\_  
Mayor  
  
\_\_\_\_\_  
City Clerk

THE CITY OF WILLIAMSTOWN

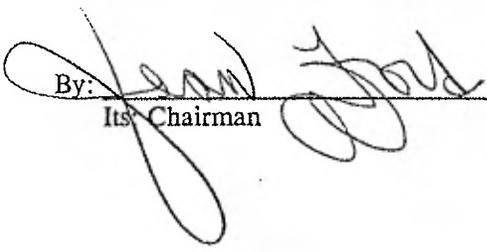
Sewer Revenue Bonds, Series 2005 A  
(West Virginia SRF Program)

PETITION OF SANITARY BOARD

The Sanitary Board of The City of Williamstown (the "City") hereby petitions the Council of the City to enact an ordinance directing that sewer revenue bonds of the City be issued pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended, such bonds to be in an amount not to exceed \$400,000 for the purpose of financing a portion of the cost of acquisition and construction of certain additions, betterments and improvements to the existing sewerage system of the City, together with all necessary appurtenances, and the costs of issuance and related costs.

Directed this 19th day of April, 2005.

SANITARY BOARD OF THE CITY OF WILLIAMSTOWN

By:  \_\_\_\_\_  
Its Chairman

04/12/05  
976720.00002

CH491652.1

BYLAWS AND RULES OF PROCEDURE  
CITY OF WILLIAMSTOWN SANITARY BOARD

ARTICLE I

NAME, PLACE OF BUSINESS AND FISCAL YEAR

Section 1. Name: CITY OF WILLIAMSTOWN SANITARY BOARD

Section 2. The principal office of the City of Williamstown Sanitary Board will be located at the City Hall, 100 West Fifth Street, Williamstown, West Virginia 26187.

Section 3. The fiscal year of the City of Williamstown Sanitary Board shall begin on July 1 of each year and shall end on the following June 30.

ARTICLE II

PURPOSE

The City of Williamstown Sanitary Board is organized exclusively for the purposes set forth in Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act").

ARTICLE III

MEMBERSHIP

Section 1. The members of the Sanitary Board shall be composed of the Mayor and four persons appointed by the governing body pursuant to the Act, who shall serve for such terms as specified in the Act.

Section 2. Should any member of the Sanitary Board resign or otherwise become legally disqualified to serve as a member of the Sanitary Board, the Sanitary Board shall appoint a qualified person to fill such vacancy for the unexpired term thereof in the same manner as the original appointment, and as further prescribed under the Act.

ARTICLE IV

MEETINGS OF THE SANITARY BOARD

Section 1. The members of the Sanitary Board shall hold regular meetings on the third Tuesday of each month at such place and hour as the members shall determine from time to time. If the day stated shall fall on a legal holiday, the meeting shall be held on the following day. Special meetings of the Sanitary Board may be called at any time by the Chairman or by a quorum of the Sanitary Board. All meetings shall be open to the public and news media.

Section 2. At any meeting of the Sanitary Board, three members shall constitute a quorum. Each member of the Sanitary Board shall have one vote at any membership meeting and if a quorum is not present, those present may adjourn the meeting to a later date.

Section 3. Unless otherwise agreed, notice to members of regular meetings shall not be required. Unless otherwise waived, notice of each special meeting of the membership shall be given to all members by the Secretary by fax, telephone, mail or other satisfactory means at least 3 days before the date fixed for such special meeting. The notice of any special meeting shall state briefly the purpose or

purposes of such meeting and the nature of the business to be transacted thereat, and no business other than that stated in the notice or incidental thereto shall be transacted at any such special meeting.

#### PUBLIC NOTICE OF MEETINGS

Section 4. Pursuant to Section 3, Article 9A, Chapter 6 of the West Virginia Code of 1931, as amended (1999 Revision), notice of the date, time, place and agenda of all regularly scheduled meetings of the Sanitary Board, and the date, time, place and purpose of all special meetings of the Sanitary Board, shall be made available, in advance, to the public and news media (except in the event of an emergency requiring immediate action) as follows:

A. Regular Meetings. A notice shall be posted and maintained by the Secretary of the Sanitary Board at the front door or bulletin board of the City Hall of the date, time and place fixed and entered of record by the Sanitary Board for the holding of regularly scheduled meetings. In addition, a copy of the agenda for such regularly scheduled meeting shall be posted at the same locations by the Secretary of the Sanitary Board not less than 72 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is cancelled or postponed, a notice of such cancellation or postponement shall be posted at the same locations as soon as feasible after such cancellation or postponement has been determined.

B. Special Meetings. A notice shall be posted by the Secretary of the Sanitary Board at the front door or bulletin board of the City Hall not less than 72 hours before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is cancelled, a notice of such cancellation shall be posted at the same locations as soon as feasible after such cancellation has been determined.

#### ARTICLE V

##### OFFICERS

Section 1. The officers of the Sanitary Board shall be a Chairman, a Vice-Chairman, a Secretary and a Treasurer. The Chairman shall be the Mayor. The Vice-Chairman shall be elected from the members of the Sanitary Board. The Secretary and Treasurer need not be members of the Sanitary Board, and may be the same person.

Section 2. The Vice-Chairman, Secretary and Treasurer of the Sanitary Board shall hold office as such at the will of the Sanitary Board. Any vacancy occurring among the officers shall be filled by the members of the Sanitary Board at a regular or special meeting in the same manner as the original appointment.

#### ARTICLE VI

##### DUTIES OF OFFICERS

Section 1. When present, the Chairman shall preside as Chairman at all meetings of the Sanitary Board. The Chairman shall, together with the Secretary, sign the minutes of all meetings at which he or she shall preside. The Chairman shall attend generally to the executive business of the Sanitary Board and exercise such powers as may be conferred by the Sanitary Board, by these Rules of Procedure, or as prescribed by law. The Chairman shall execute, and if necessary, acknowledge for record, any deeds, deeds of trust, contracts, notes, bonds, agreements or other papers necessary, requisite, proper or convenient to be executed by or on behalf of the Sanitary Board when and if directed by the members of the Sanitary Board.

Section 2. The Secretary shall keep a record of all proceedings of the Sanitary Board, which shall be available for inspection as other public records. The Secretary shall, together with the Chairman, sign the minutes of the meeting at which he or she is present. The Secretary shall have charge of the minute book, be custodian of the Common Seal of the Sanitary Board and all deeds and other writings and papers of the Sanitary Board. The Secretary shall also perform such other duties as he or she may have under law by virtue of the office or as may be conferred from time to time by the members of the Sanitary Board, these Rules of Procedure or as prescribed by law.

Section 3. The Treasurer shall be the lawful custodian of all funds of the Sanitary Board and shall disburse funds of the Sanitary Board on orders authorized or approved by the Sanitary Board. The Treasurer shall keep or cause to be kept proper and accurate books of accounts and proper receipts and vouchers of all disbursements made by or through him and shall prepare and submit such reports and statements of the financial condition of the Sanitary board as the members may from time to time prescribe. He or she shall perform such other duties as may be required of him by law or as may be conferred upon him by the members of the Sanitary Board, these Rules of Procedure or as prescribed by law.

Section 4. If the Chairman is absent from any meeting, the Vice-Chairman shall act as Chairman and shall have all the powers of the Chairman during such period of absence. If the Secretary or Treasurer is absent from any meeting, the remaining members of the Sanitary Board shall select a temporary secretary or treasurer, as necessary, who shall have all of the powers of the absent officer during such period of absence.

## ARTICLE VII

### AMENDMENTS TO BYLAWS AND RULES OF PROCEDURE

These Bylaws and Rules of Procedure may be altered, changed, amended, repealed or added to at any regular or special meeting of the Sanitary Board by a majority vote of the entire Sanitary board, or at any regular or special meeting of the members when a quorum is present in person and a majority of those present vote for the amendment; but no such change, alteration, amendment, repeal or addition shall be made at any special meeting unless notice of the intention to propose such change, alteration, amendment, repeal or addition and a clear statement of the substance thereof be included in the written notice calling such meeting.

These Bylaws and Rules of Procedure shall replace any and all previous rules of procedure, bylaws or similar rules heretofore adopted by the Sanitary Board. In the event of a conflict between these Bylaws and Rules of Procedure and any provisions of the Charter, such Charter provisions shall prevail.

Adopted this 19<sup>th</sup> day of April, 2005.

The image shows two handwritten signatures in black ink. The signature on the left is written in a cursive style and appears to be 'Jean Ford'. The signature on the right is also cursive and appears to be 'Ford'.

**OATH OF OFFICE**

I, **Jeff DePuy**,

Do hereby solemnly swear

To support the Constitution of the United States of America,

And the Constitution, of the State of West Virginia,

And perform the duties of Sanitary Board Member

For the City of Williamstown, West Virginia

To the best of my ability, so help me God.

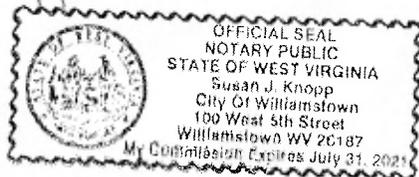
Jeff DePuy  
SIGNATURE

[Signature]  
WITNESS

SUBSCRIBED AND SWORN BEFORE ME THIS 18<sup>th</sup> DAY OF August 2015

[Signature]  
NOTARY PUBLIC

July 31, 2021  
MY COMMISSION EXPIRES:



**OATH OF OFFICE**

I, Charles Meyers,

Do hereby solemnly swear

To support the Constitution of the United States of America,

And the Constitution, of the State of West Virginia,

And perform the duties of Sanitary Board Member

For the City of Williamstown, West Virginia

To the best of my ability, so help me God.

*Charles C. Meyers*  
SIGNATURE

*[Handwritten Signature]*  
WITNESS

SUBSCRIBED AND SWORN BEFORE ME THIS 18<sup>th</sup> DAY OF August 2015

*Susan J. Knopp*  
NOTARY PUBLIC

July 31, 2021  
MY COMMISSION EXPIRES.



# OATH OF OFFICE

I, Nick Frank,

Do hereby solemnly swear

To support the Constitution of the United States of America,

And the Constitution, of the State of West Virginia,

And perform the duties of Sanitary Board Member

For the City of Williamstown, West Virginia

To the best of my ability, so help me God.

SIGNATURE

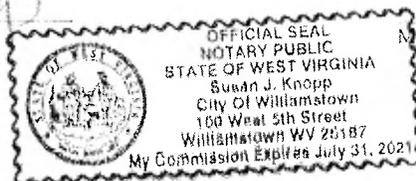
WITNESS

SUBSCRIBED AND SWORN BEFORE ME THIS

18<sup>th</sup> DAY OF August, 2015

NOTARY PUBLIC

MY COMMISSION EXPIRES:



**OATH OF OFFICE**

I, Chip Pickering,

Do hereby solemnly swear

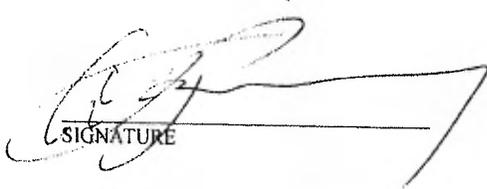
To support the Constitution of the United States of America,

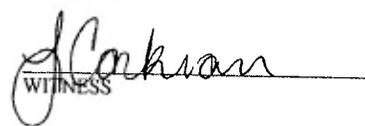
And the Constitution, of the State of West Virginia,

And perform the duties of Sanitary Board Member

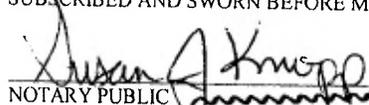
For the City of Williamstown, West Virginia

To the best of my ability, so help me God.

  
SIGNATURE

  
WITNESS

SUBSCRIBED AND SWORN BEFORE ME THIS 3 DAY OF Sept., 2015.

  
NOTARY PUBLIC

July 31, 2021  
MY COMMISSION EXPIRES:



THE CITY OF WILLIAMSTOWN

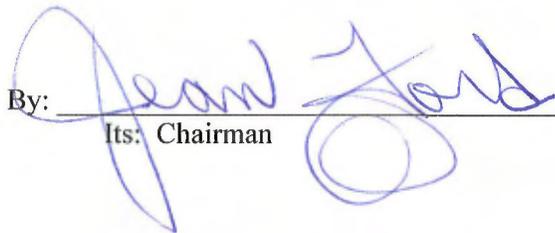
SEWER REVENUE BONDS, 2015 SERIES A  
(WEST VIRGINIA SRF PROGRAM)

PETITION OF SANITARY BOARD

The Sanitary Board of The City of Williamstown (the "City") hereby petitions the Council of the City to enact an Ordinance directing that Sewer Revenue Bonds of the City be issued pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended, such Bonds to be in an amount not to exceed \$400,000 for the purpose of financing the cost of acquisition and construction of certain extensions, additions, betterments and improvements to the existing Sewerage System of the City, together with all necessary appurtenances, and the costs of issuance and related costs.

Directed this 18th day of August, 2015.

SANITARY BOARD OF THE CITY OF WILLIAMSTOWN

By:  \_\_\_\_\_  
Its: Chairman

WILLIAMSTOWN SANITARY / STORMWATER BOARD  
REGULAR MEETING  
AUGUST 18, 2015

The Williamstown Sanitary/Stormwater Board met in regular session on Tuesday, August 18, 2015, at 3:00 pm. Those present were Mayor Jean Ford, Boardmembers Jeff DePuy, Charlie Meyers and Nick Frank, Councilperson Ron Erb, City Employees Alan Gates and Bob Stirling, Fred Radar and Tim Meeks with MOVRC, and City Clerk Susan Knopp. Boardmember Chip Pickering was absent.

Mayor Ford called the meeting to order.

On a motion by DePuy and second by Meyers to approve and dispense with the reading of the minutes of the previous meeting, all voted yes.

On a motion by Meyers and second by DePuy to adopt a Petition of the Sanitary Board for the City Council to enact an Ordinance to issue Sewer Revenue Bonds, 2015 Series A (West Virginia SRF Program), all voted yes.

Mayor Ford said the hearing concerning the Rt. 14 construction project is scheduled for August 28<sup>th</sup>.

Bob Stirling said the new truck had been ordered and should be ready in a couple weeks.

Bob Stirling presented info needed for the DEP violations. He presented an IDD Ordinance, Storm Water Management / BMP Facilities Covenant, and written Policies and Procedures. He said the City Attorney looked over the Ordinance and Covenant and gave his approval.

After some discussion, on a motion by Meyers and second by DePuy to approve the written Storm Water Policies and Procedures, all voted yes.

Bob Stirling said the DEP requires these three documents and updated land development regulations.

After further discussion, on a motion by Meyers and second by Frank to adopt the BMP Facilities Covenant, all voted yes.

On a motion by DePuy and second by Meyers to recommend City Council adopt the IDD Ordinance, all voted yes.

Tim Meeks stated he spoke with Engineer Jim Hildreth who told him the contract for the CSX Project will be awarded Sept. 30<sup>th</sup>. He said as of right now the contractor thinks they will be substantially complete by Thanksgiving. The contract award will be at 10:00 and the pre-construction meeting will be at 11:00 on Sept. 30<sup>th</sup>.

The meeting was adjourned at 3:45pm.





FILED

17 NOV 30 2010:47

W. VA. PUBLIC SERVICE  
COMMISSION  
MARTINSBURG, WV

P.S.C. W. Va. No. 17  
Canceling P.S.C. W. Va. No. 16

CITY OF WILLIAMSTOWN, a municipal utility

OF

WILLIAMSTOWN, WEST VIRGINIA

RATES, RULES AND REGULATIONS FOR FURNISHING  
SEWERAGE AND SEWAGE DISPOSAL SERVICE

at Williamstown, Wood County, West Virginia

Filed with THE PUBLIC SERVICE COMMISSION  
of  
WEST VIRGINIA

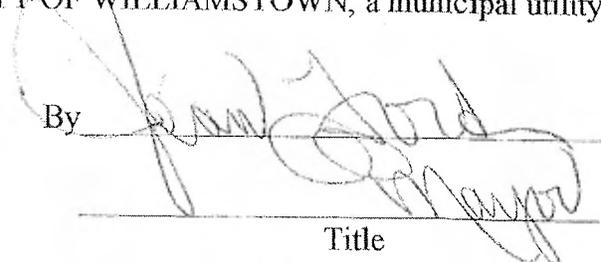
Issued November 27, 2012

Effective for service rendered on or after December 1, 2012  
or as otherwise provided herein

Adopted by City Council  
on October 2, 2012

Issued by CITY OF WILLIAMSTOWN, a municipal utility

By



Title

RULES AND REGULATIONS

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

APPLICABILITY

Applicable in entire territory served

AVAILABILITY OF SERVICE

Available for sanitary sewer service

(I) RATE

First	2,000 gallons or less	\$17.48 per month
Next	3,000 gallons used per month	\$ 8.72 per 1,000 gallons
Next	20,000 gallons used per month	\$ 6.79 per 1,000 gallons
Next	75,000 gallons used per month	\$ 5.85 per 1,000 gallons
Next	100,000 gallons used per month	\$ 4.81 per 1,000 gallons
All Over	200,000 gallons used per month	\$ 3.90 per 1,000 gallons

(I) MINIMUM CHARGE

\$17.48

(I) CONNECTION FEE

\$494.90

DELAYED PAYMENT PENALTY

The above rates are net. On all accounts not paid in full within twenty (20) days of the billing date, ten percent (10%) will be added to the net amount shown. This delayed payment penalty is not interest and is to only be collected once for each bill where it is appropriate.

(I) Indicates increase

NOTICE  
CITY OF WILLIAMSTOWN

Notice is hereby given that the City of Williamstown, a municipal corporation, will hold a hearing before the final vote on a proposed ordinance, the principal object of which is the increase of sewer rates for customers of the sewer system operated by the City of Williamstown. The title of such ordinance is an "Ordinance Increasing Sewer Rates for the City of Williamstown". The rates and charges being proposed are:

First	2,000	gallons or less \$17.48 per month
Next	3,000	gallons used per month 8.72 per 1,000 gallons
Next	20,000	gallons used per month 6.79 per 1,000 gallons
Next	75,000	gallons used per month 5.85 per 1,000 gallons
Next	100,000	gallons used per month 4.81 per 1,000 gallons
All Over	200,000	gallons used per month 3.90 per 1,000 gallons

Minimum Charge \$17.48  
Connection Charge \$494.90

The final vote on adoption of said proposed ordinance shall be held in the Council Chambers of the City of Williamstown, Williamstown City Building, 100 W. 5th Street, Williamstown, West Virginia on October 2, 2012, at 7:30 p.m. Interested parties may appear and be heard at such time with respect to the passage of the proposed ordinance. Copies of the proposed ordinance are available at the Office of the Clerk, Williamstown City Building, in Williamstown.

Sep 22, 29

.....MARY J BUCK.....

Being first duly sworn, says that the

"NOTICE".....

Hereto attached was printed in the

..XX...The Parkersburg News and Sentinel,

.....The Marietta AM,

A daily newspaper published in the City of Parkersburg, Wood County, West Virginia, for .....TWO..... successive Week(s), the first publication and posting thereon being on the .....22ND.....day of ...SEPTEMBER... 2012..., and subsequent publication on the .....29TH..... day (s) of ...SEPTEMBER..... 2012....

Printer's Fee \$..91.00...

Notarized Signature \$...2.00...

Additional Copy Fee \$.....

Total Due: \$...93.00...

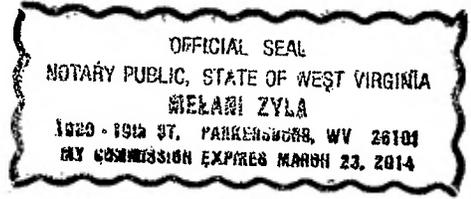
By:.....*Mary J Buck*.....

Subscribed and sworn to before me this

*1st*... day of *October* 20*12*.

.....*Melani Zyla*.....  
Notary Public for Wood County, West Virginia

My commission expires .....*3-23-14*.....



**PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES**

NOTICE is hereby given that the City of Williamstown, a public utility, has adopted by ordinance on October 2, 2012, a tariff containing increased rates, tolls and charges for furnishing sewer service to 1,435 customers at Williamstown, in the County of Wood, West Virginia.

The proposed increased rates and charges will become effective December 1, 2012, unless otherwise ordered by the Public Service Commission and will produce approximately \$73,172.00 annually in additional revenue, an increase of fifteen percent. The average monthly bill for the various classes of customers will be changed as follows:

	(\$) Increase	(%) Increase
Residential	\$ 5.13	15%
Commercial	\$72.80	15%
Industrial	\$50.35	15%
Government	\$42.72	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 average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. This 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 municipality operated public utility; or

(2) Any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a petition alleging discrimination between customers within and without the municipal boundaries. Said petition shall be accompanied by evidence of discrimination; or

(3) Any customer or group of customers who are affected by said change in rates who reside within the municipal boundaries and who present a petition to the commission alleging discrimination between said customer or group of customers and other customers of the municipal utility. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, P.O. Box 812, Charleston, WV 25323.

A complete copy of the proposed rates, as well as a representative of the company to provide any information requested concerning it, is available to all customers, prospective customers or their agents at the following office of the Company.

City of Williamstown  
100 W. 5th Street  
Williamstown, WV 26187

A copy of the proposed rates is available for public inspection at the office of Secretary of the Public Service Commission at 201 Brooks Street, P.O. Box 812, Charleston, West Virginia

Oct 5, 12

.....MARY J BUCK.....

Being first duly sworn, says that the

“PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES” .....

Hereto attached was printed in the

..XX...The Parkersburg News and Sentinel,

.....The Marietta AM,

A daily newspaper published in the City of Parkersburg, Wood County, West Virginia, for .....TWO..... successive Week(s), the first publication and posting thereon being on the .....5TH.....day of ...OCTOBER..... 2012..., and subsequent publication on the .....12TH..... day (s) of ...OCTOBER..... 2012....

Printer's Fee \$..166.08...

Notarized Signature \$.....2.00...

Additional Copy Fee \$.....

Total Due: \$...168.08...

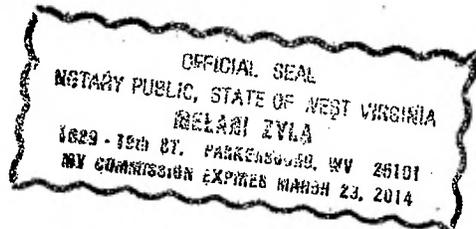
By: *Mary J Buck*

Subscribed and sworn to before me this

12th day of October 2012.

*Meloni Zyla*  
Notary Public for Wood County, West Virginia

My commission expires .....3-23-14.....



WILLIAMSTOWN CITY COUNCIL  
REGULAR MEETING  
SEPTEMBER 18, 2012

The Williamstown City Council met in regular session on Tuesday, September 18, 2012 at 7:30pm. Those in attendance were Mayor Jean Ford, Councilpersons Marty Seufer, Gene Duncan, Barbara Lewis and Ron Erb, City Attorney Blaine Myers, and City Clerk/Treasurer Susan Knopp.

Mayor Ford called the meeting to order and Sgt. at Arms Ryan Blevins led Council in the Pledge of Allegiance.

On a motion by Lewis and second by Duncan to approve and dispense with the reading of the minutes of the previous meeting, all voted yes.

On a motion by Erb and second by Duncan to approve the current bills for payment, all voted yes.

Atty. Myers presented an *Ordinance Increasing Sewer Rates for the City of Williamstown*. The rates will become effective December 1<sup>st</sup> and the increase is 15%.

On a motion by Erb and second by Lewis to accept the ordinance on first reading, all voted yes.

Councilman Seufer presented pay increases for City employees. He said the majority are 5% increases with a few exceptions. He said because of the 1% sales tax, we were able to realign salaries to take the pressure off the water and sewer funds.

On a motion by Seufer and second by Lewis to accept the pay increases as presented, all voted yes.

Mayor Ford presented a contract extension for the garbage service from Waste Management. There is no increase in fees and the City has received excellent service.

On a motion by Seufer and second by Duncan to authorize the Mayor to sign the contract extension with Waste Management, all voted yes.

Councilwoman Lewis said the pool has been put to sleep and we are making some minor repairs.

Councilman Duncan said the Planning Commission will meet on October 9<sup>th</sup> at 7:30pm.

Councilwoman Lewis said the Tree Commission has taken down 14 trees damaged after the storm in June.

Councilman Erb said the Sanitary Board meeting was cancelled today.

Councilwoman Lewis said the City will be putting the blacktop work out for bids.

Councilwoman Lewis said the engineer for the sidewalk grant will charge \$25,560 for the project.

After some discussion, on a motion by Lewis and second by Seufer to turn the engineering contract for the sidewalk project over to Atty. Myers for review, all voted yes.

The meeting was adjourned at 7:47pm.

Susan J Knopp  
Jean D Ford

**Classified/Legal Advertising Invoice**

**The News and Sentinel**

PO Box 1787  
519 Juliana St  
Parkersburg, WV  
26101  
(304) 485-1891

*ATW: Karrie Mattox*  
**SPILMAN THOMAS & BATTLE, PLLC**  
300 KANAWHA BLVD, EAST  
PO BOX 273  
CHARLESTON, WV

09/09/2015 9:53:01AM

**25321-0273**

**No: 138445**

**Phone: 304 340-3800**

Ad No <b>138445</b>	Customer No: <b>L01650</b>	Start Date <b>09-02-2015</b>	Stop Date <b>09-09-2015</b>	Category: <b>Legals</b>	Classification: <b>Legals</b>			
Order No	Rate: <b>LE</b>	Lines: <b>135</b>	Words: <b>519</b>	Inches: <b>13.50</b>	Cost <b>155.56</b>	Payments <b>.00</b>	Balance <b>155.56</b>	
Publications ... Runs News Legals ... 2		Solicitor: <b>MB</b>	Origin: <b>10</b>	Sales Rep: <b>114</b>	Credit Card	Credit Card Number	Card Expire	
		<table border="1" style="width: 100%;"> <tr> <td align="center">Identifier</td> </tr> <tr> <td>NOTICE OF PUBLIC HEARING ON THE CITY OF WILLIAMSTOWN BOND ORDINANCE</td> </tr> <tr> <td>A public hearing will be held on</td> </tr> </table>						Identifier
Identifier								
NOTICE OF PUBLIC HEARING ON THE CITY OF WILLIAMSTOWN BOND ORDINANCE								
A public hearing will be held on								
<p>*=Extend Expiration Date</p>								

NOTICE OF PUBLIC HEARING ON THE CITY OF WILLIAMSTOWN BOND ORDINANCE

A public hearing will be held on the below-entitled Bond Ordinance at a regular meeting of the City Council of The City of Williamstown (the "City Council") to be held on Tuesday, September 15, 2015, at 7:30 p.m. at the City Council Chambers located at 100 West Fifth Street, Williamstown, West Virginia. At such hearing, any person interested may appear before City Council and present protests, and all protests and suggestions shall be heard by the City Council and it shall then take such actions as it shall deem proper in the premises upon a Bond Ordinance entitled:

ORDINANCE AUTHORIZING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF WILLIAMSTOWN AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$400,000 IN AGGREGATE PRINCIPAL AMOUNT OF ITS SEWER REVENUE BONDS, 2015 SERIES A (WEST VIRGINIA SAFE PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNER 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 ENACTING OTHER PROVISIONS RELATING THERETO.

The above-quoted title of the Bond Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The City of Williamstown (the "Issuer") contemplates the issuance of the Bonds, in one or more series, as described in the Bond Ordinance. The aggregate proceeds of the Bonds will be used (i) to pay the costs of acquisition, construction and equipping of certain additions, extensions, betterments and improvements to the existing public sewerage system of the Issuer (the "System"); consisting of replacing a deteriorated 12-inch sanitary sewer line crossing WV Route 14 to intercept three additional CSX railroad crossings by boring a new pipe crossing parallel to the existing crossing including 180 linear feet of 12-inch gravity sewer line, 1,000 linear feet of 8-inch gravity sewer line, 200 linear feet of 2-inch waterline, 4 manholes and necessary appurtenances to improve sanitary sewer service to existing customers (collectively, the "Project"); and (ii) to pay certain costs of issuance of the Bonds hereof and related costs. The Bonds shall be payable solely from and secured solely by a first lien on the Net Revenues derived from the System. No taxes may at any time be levied for the payment of the principal of or interest on the Bonds.

The above-entitled Bond Ordinance was introduced on first reading to the City Council on August 10, 2015 and on second reading to the City of Council on September 1, 2015. A certified copy of the above-entitled Bond Ordinance is on file with the City Clerk for review by interested parties during regular office hours.

Following the public hearing, the City Council intends to adopt and enact the Bond Ordinance upon final reading.

/s/ Susan Knopp  
City Clerk

.....MARY J BUCK.....

Being first duly sworn, says that she

"NOTICE OF PUBLIC HEARING".....

Hereto attached was printed in the

..XX..The Parkersburg News and Sentinel,

.....The Marietta AM,

A daily newspaper published in the City of Parkersburg, Wood County, West Virginia, for ...TWO..... successive Week(s), the first publication and posting thereon being on the .....2ND.....day of ...SEPTEMBER... 2015., and subsequent publication on the .....9TH..... day (s) ...SEPTEMBER.... 2015....

Printer's Fee \$153.56...

Notarized Signature \$...2.00...

Additional Copy Fee \$.....

Total Due: \$...155.56...

By: *Mary J Buck*

Subscribed and sworn to before me this

9<sup>th</sup> day of September 2015.

*Melani Zyla*  
Notary Public for Wood County, West Virginia

My commission expires .....3-23-24.....



WILLIAMSTOWN CITY COUNCIL  
REGULAR MEETING  
AUGUST 18, 2015

The Williamstown City Council met in regular session on Tuesday, August 18, 2015 at 7:30pm. Those in attendance were Mayor Jean Ford, Councilpersons Marty Seufer, Gene Duncan, Barbara Lewis, and Ron Erb, City Attorney Blaine Myers, and City Clerk/Treasurer Susan Knopp.

Mayor Ford called the meeting to order and Sgt. at Arms Jeremy Raymond led Council in the Pledge of Allegiance.

On a motion by Duncan and second by Lewis to approve and dispense with the reading of the minutes of the previous meeting, all voted yes.

On a motion by Erb and second by Seufer to approve the current bills for payment, all voted yes.

Atty. Myers presented the Bond Ordinance for Sewer Revenue Bonds, 2015 Series A (West Virginia SRF Program) for the first reading.

Councilman Erb said this was approved by the Sanitary Board at their meeting this afternoon.

On a motion by Erb and second by Lewis to approve the Bond Ordinance on first reading, all voted yes.

Mayor Ford stated Leroy Lauderman attended the last meeting and asked for an alley to be closed adjacent to his property.

Councilman Seufer said he checked the Wood County records and this was platted as a street on all the maps as far back as 1905. The street never went all the way through to Rt. 14.

After some discussion, Mayor Ford said the property belongs to the City and the City doesn't really give up property.

Atty. Myers stated the street would stay as is for now.

Mayor Ford said the Planning Commission has requested a zoning change from an Industrial Zone to a Commercial Zone for a piece of property near the Beachcomber.

Building Commissioner David VanHorn said there were a lot of people interested in purchasing this property, but you can't build a house on it in an Industrial Zone.

Atty. Myers said this would need to be done by ordinance with a public hearing. He said a map would be needed to show the property boundaries.

Councilman Seufer suggested this be put on the next agenda and Council be provided with a map.

After some discussion, Mayor Ford said Council would table this until we get some maps and see who owns the property.

Mayor Ford said Council needed to discuss Williamstown Auto's business on Rt. 14. She said every Councilperson has been called about this. She said she was asked what kind of license the business owner has, and she was told there was no mechanic working there.

Scott Starkey from Williamstown Auto said they do have a mechanic.

Mayor Ford said she had spoken with Alex Nuckles about his business and she has spoken with our Attorney and we need to decide what to do.

Councilwoman Lewis suggested the business put up a fence.

Councilman Seufer asked if we should speak with the property owner or the business owner.

Atty. Myers said probably both. Myers said according to State Code, in the industrial zone, auto wrecking, junkyards must have a fence around them. This is a commercial zone. Myers said the question is, does it meet the definition of a salvage yard. There are more rusted vehicles now than before, so according to State Code, it needs to have a fence. Myers said he thinks it is reasonable to make a request that it be fenced. Then, if the owner won't comply, Council will need to decide what action it wants to take. If the City request a fence be put up, and nothing is done in a reasonable amount of time, then the City can file suit and take the position that it is a joint obligation of the property owner and business owner.

Atty. Myers said he can write a letter to the property owner and business owner and see if they will work with us.

Council agreed to have Atty. Myers write a letter.

Public Works Director Alan Gates stated Hino had asked to swap the City's well field on its property for another piece of property so they could expand. The new property's water has been tested, and the results were good. He said he conferred with Engineer Hildreth who felt this was a suitable well site.

Mayor Ford asked Council to look over *An Ordinance Regulating Illicit Discharge and Connection Storm Water*. The Sanitary Board approved this today. We will have this on the next agenda.

Councilman Erb said the Sanitary Board also approved Policy and Procedures, and a Best Management Practices Facilities Covenant. These are all things the DEP has required us to do.

Councilwoman Lewis said she would like the minutes to show an approved permanent access and construction easement on 8<sup>th</sup> Street

Public Work Director Gates said the City has a chance to purchase a piece of equipment at auction. He said the State bid limit is \$25,000, but the City's limit is \$10,000. He said he would like to ask for a suspension of the bid limit, so he could bid on this piece of equipment.

Councilman Seufer said this equipment normally was three to five times this price.

Atty. Myers said it sounds like it would be in the City's best interest to waive the bid requirement for this one transaction.

Councilman Seufer said the City is spending almost the same amount using outside services to do the work of this equipment.

On a motion by Seufer and second by Lewis to suspend the bid limit for this one purchase, and make the limit \$15,001.00, all votes yes.

The meeting adjourned at 8:22pm.

Handwritten signatures of Jean Ford, Mayor, and Susan Knapp.

WILLIAMSTOWN CITY COUNCIL  
REGULAR MEETING  
SEPTEMBER 1, 2015

The Williamstown City Council met in regular session on Tuesday, September 1, 2015 at 7:30pm. Those in attendance were Mayor Jean Ford, Councilpersons Marty Seufer, Gene Duncan, Barbara Lewis, and Ron Erb, City Attorney Blaine Myers, and City Clerk/Treasurer Susan Knopp.

Mayor Ford called the meeting to order and Sgt. at Arms Jeremy Raymond led Council in the Pledge of Allegiance.

On a motion by Lewis and second by Duncan to approve and dispense with the reading of the minutes of the previous meeting, all voted yes.

On a motion by Erb and second by Lewis to approve the current bills for payment, all voted yes.

Mayor Ford presented the second reading of the Bond Ordinance for Sewer Revenue Bonds, 2015 Series A (West Virginia SRF Program).

On a motion by Seufer and second by Erb to approve the Bond Ordinance on second reading, all voted yes.

Atty. Myers stated there would be a public hearing and final reading at the next Council meeting on September 15<sup>th</sup>.

Mayor Ford said the Planning Commission has requested a zoning change from an Industrial Zone to a Commercial Zone for a piece of property near the Beachcomber. She stated this would require an ordinance, attorney fees, a survey, and a public hearing all for one lot, and we don't even know who owns it.

Councilman Duncan said he believed Pam Hamilton owns it.

Councilwoman Lewis asked how expensive this would be to change.

Atty. Myers said this wouldn't be a major expense, but would require a public hearing and an ordinance.

After some discussion, Mayor Ford asked what benefit this would be to the City.

Councilman Duncan said this would allow a house to be built on the property and the City would receive tax income.

After more discussion, on a motion by Erb and second by Lewis to table this until measurements can be clarified, all voted yes.

Atty. Myers presented the first reading of *An Ordinance Regulating Illicit Discharge and Connection Storm Water*. He said this would replace the existing ordinance and is mandated by the DEP. He said he believed enforcing this ordinance would be difficult, but we don't really have a choice.

On a motion by Erb and second by Lewis to approve the ordinance on first reading, all voted yes.

Chief of Police Shawn Graham stated that he has been Chief for a year now and Williamstown PD has come a long way. We have three new cruisers, the training for officers has improved, and we have upgraded the in-house phone system and the officer's cell phones. The speeding problem in town has slowed down and we are being proactive on drug problems. He added that moral is significantly better also.

Chief Graham said in the second year he would like to convert garage space into new police facilities. He said the PD Facebook page has been a big hit. He said he really wanted to get a Williamstown officer in the high school, and the PD has received a \$20,000 grant to help with the cost of this officer. He added he would like to thank Council for their support.

Chief Graham introduced Patrolman Scott Brantner who is the new Prevention Resource Officer at WHS. Officer Brantner comes here from Keyser PD, where he received an award for saving a family from a burning home.

Chief Graham introduced Josh McCown as the newest police officer. He has two years of experience with the Delbarton PD.

Mayor Ford swore in new officer Josh McCown.

Mayor Ford thanked Chief Graham for making the department very professional.

Councilman Duncan stated the Planning Commission will meet Sept. 14<sup>th</sup> to discuss final plans for the Dollar General.

Councilwoman Lewis said the Tree Commission will be planting trees soon.

Director of Public Works Alan Gates stated they received the second set of test results for the Hino replacement well field, and City Engineer Jim Hildreth says the site is suitable for drinking water. Gates added they maintenance department acquired a street sweeper for a very low cost. The cost is about the same as one year of outside sweeping services.

Councilman Erb stated the Sanitary Board is still working on the CSX Sewer Line Replacement Project. The Board will meet next on Sept. 15<sup>th</sup> at 3:00pm.

Alan Gates said there is an opportunity to send some of the workers to class for storm water training.

Councilwoman Lewis said they received a letter from the engineer working on the sidewalk grant. He said they are actively working on the grant, and it is on their priority list.

Leroy Lauderman stated there were no lights at Fenton Park and some people like to walk in the evening.

Councilman Seuffer said some people were complaining about the lights.

Mayor Ford said they would look into this.

The meeting adjourned at 8:08pm.

Handwritten signature of Jean Ford, Mayor. The signature is written in cursive and includes the name "Jean Ford" and "Mayor" written below it.

Handwritten signature of Susan Knopp. The signature is written in cursive.

\$336,500  
THE CITY OF WILLIAMSTOWN  
SEWER REVENUE BONDS, 2015 SERIES A  
(WEST VIRGINIA SRF PROGRAM)

EXCERPT OF MINUTES ON PUBLIC HEARING,  
ENACTMENT OF BOND ORDINANCE,  
SWEEP RESOLUTION AND  
POST-ISSUANCE COMPLIANCE POLICY

The undersigned CITY CLERK of The City of Williamstown hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said City Council:

\*\*\*

\*\*\*

\*\*\*

The City Council of The City of Williamstown met in regular session, pursuant to notice duly posted, on the 15th day of September 2015, in Williamstown, West Virginia, at the hour of 7:30 p m.

PRESENT:

Jean Ford	-	Mayor
Susan Knopp	-	City Clerk
Martin Seufer	-	Councilmember
Gene Duncan	-	Councilmember
Barbara Lewis	-	Councilmember
Ron Erb	-	Councilmember

ABSENT:

NONE

Jean Ford, Mayor, presided and Susan Knopp, acted as City Clerk. The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Mayor stated that the proposed Bond Ordinance heretofore passed on first and second readings would be subject to protests and suggestions from any interested person at this time in accordance with the publication of an abstract of said Bond Ordinance and Notice of Public Hearing, which publication has been made, and the Mayor called for protests and suggestions as to said Bond Ordinance and all persons desiring to protest the said Bond Ordinance or to make any suggestions with reference to thereto were heard.

There being no protests or suggestions made as to said Bond Ordinance, the Mayor thereupon stated that it would be in order to consider the said Bond Ordinance for final enactment and the Mayor caused the said Bond Ordinance to be read as follows:

ORDINANCE AUTHORIZING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF WILLIAMSTOWN AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$400,000 IN AGGREGATE PRINCIPAL AMOUNT OF ITS SEWER REVENUE BONDS, 2015 SERIES A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNER 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 ENACTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Ms. Lewis and seconded by Mr. Duncan, it was unanimously ordered that the said Bond Ordinance be adopted and be in full force and effect on and from the date hereof.

The Mayor then presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, 2015 SERIES A (WEST VIRGINIA SRF PROGRAM), OF THE CITY OF WILLIAMSTOWN; APPROVING AND RATIFYING 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 SUCH BONDS.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Mr. Erb and seconded by Ms. Lewis, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Mayor presented a proposed Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond Commission. Thereupon, on motion duly made by Mr. Duncan and seconded by Ms. Lewis, it was unanimously ordered that the said Sweep Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Mayor presented a proposed Post-Issuance Compliance Policy in order to promote compliance with the requirements of federal and state law regarding issuance of bonds. Thereupon, on motion duly made by Ms. Lewis and seconded by Mr. Duncan, it was unanimously ordered that the said Post-Issuance Compliance Policy be adopted and be in full force and effect on and from the date hereof.

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There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

[Remainder of Page Intentionally Blank]

CERTIFICATION

i hereby certify that the foregoing is a true copy of the Excerpt of Minutes of The City of Williamstown and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 30th day of September, 2015

  
\_\_\_\_\_  
City Clerk

PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

Entered: April 20, 2015



CASE NO. 14-1610-S-CN

CITY OF WILLIAMSTOWN,  
a public utility.

Application for a certificate of convenience and necessity to construct certain improvements to its existing sewer system, and for approval of the financing thereof.

RECOMMENDED DECISION

This Order grants the requested certificate of convenience and necessity and approves the proposed financing.

PROCEDURAL HISTORY

On September 16, 2014, the City of Williamstown ("Williamstown") filed a duly verified application for a certificate of convenience and necessity to construct certain improvements to its sewer system in Wood County, and requesting approval of the project's proposed financing.

The same day, the Commission issued an Order directing the District to give notice of the filing of said application, by publishing a Notice of Filing:

It is ordered that the City of Williamstown give notice of the filing of said application, by publishing a copy of the attached Notice of Filing once in a qualified newspaper as provided in *W.Va. Code §59-3-1 et seq.*, published and of general circulation in counties where service is provided, making due return to this Commission of proper certification of publication within thirty (30) days from the date of publication.

On September 30, 2014, the Commission referred the matter to the Division of Administrative Law Judges.

On October 2, 2014, Williamstown submitted an affidavit of publication, showing that newspaper publication was made on September 22, 2014 in *The Parkersburg News and Sentinel*.

KAB

On December 15, 2014, the Commission Staff issued a Final Joint Staff Memorandum, recommending that the certificate of convenience and necessity be denied due to "Williamstown's failure to file a copy of a funding letter from the West Virginia Infrastructure and Jobs Development Council stating the terms and conditions for the project loan...Staff recommends that, in the alternative, the City request a tolling of the case sufficient for Staff to give a full review...after receipt of the committed funding letter."

On December 19, 2014, Williamstown responded, requesting that the matter not be dismissed, and asking for a tolling of the case so that the necessary funding commitment could be provided.

On January 13, 2015, the Commission entered an Order extending the ALJ decision date to April 29, 2015, and tolling the current suspension period to June 12, 2015.

On April 7, 2015, Williamstown filed a commitment letter, not from the West Virginia Infrastructure and Jobs Development Council, but from the West Virginia Department of Environmental Protection.

On April 16, 2015, Commission Staff filed a Further Final Joint Staff Memorandum, recommending that the certificate be granted and the financing approved.

The Commission has received no protests in this matter.

#### FINDINGS OF FACT

1. On September 16, 2014, the City of Williamstown filed an application requesting a certificate of convenience and necessity to replace a deteriorated sewer line and improve sewer service to existing customers. (Application filed September 16, 2014).

2. The project includes replacing a deteriorated 12-inch sanitary sewer line crossing WV Route 14 and the CSX railroad by boring a new pipe crossing parallel to the existing crossing. A new sanitary sewer line would be laid parallel to WV Route 14 to intercept three additional CSX railroad crossings. The proposed improvements consist of approximately 180 LF of 12-inch gravity sewer line, 1,000 LF of 8-inch gravity sewer line, 200 LF of 2-inch water line, 4 manholes, and necessary appurtenances to improve sanitary sewer service to existing customers. (Further Final Joint Staff Memorandum filed April 16, 2015, at Utilities Recommendation page 1).

3. The estimated cost of the project is \$300,000. Project funding will be through a West Virginia Department of Environmental Protection loan in the amount of \$300,000 for a period of 20 years at an interest rate of 2%, plus an annual administrative fee of 1%. (Further Final Joint Staff Memorandum filed April 16, 2015, at Utilities Recommendation page 2).

4. No rate increase is expected to result from the project. (Further Final Joint Staff Memorandum filed April 16, 2015, at Utilities Recommendation page 2).

5. As of the date of this Order, the engineering costs for the proposed project comprise 9.8% of the construction, as opposed to overall cost, which is reasonable. (Further Final Joint Staff Memorandum filed April 16, 2015, at Utilities Recommendation page 3).

6. Staff does not believe the project will have any adverse effect on Operation & Maintenance expenses. (Further Final Joint Staff Memorandum filed April 16, 2015, at Utilities Recommendation page 3)

7. The project is technically feasible and does not appear to conflict with any rules or regulations of the Commission. There are no other feasible means of providing acceptable sewer service to the affected customers. (Further Final Joint Staff Memorandum filed April 16, 2015, at Utilities Recommendation page 4).

8. Staff has recommended that the requested certificate be granted and the proposed financing approved. (Further Final Joint Staff Memorandum filed April 16, 2014).

9. Williamstown does not object to the Staff recommendations. (Case file generally).

10. Williamstown has complied with all notice requirements. (Affidavit of publication filed October 2, 2014).

11. The Commission has received no protests in this matter. (Case file generally).

#### CONCLUSIONS OF LAW

1. The public convenience and necessity require the proposed project.

2. The proposed project is financially feasible and economically viable.

3. The proposed financing is reasonable.

4. A certificate of public convenience and necessity should be granted to the City of Williamstown for the proposed project.

5. The certificate can be granted without hearing since the project was properly published, with Commission Staff recommending approval of the project. No protests have been received in this matter.

#### ORDER

IT IS, THEREFORE, ORDERED that a certificate of convenience and necessity be, and hereby is, granted to the City of Williamstown to improve its sewer service, along with all necessary work relating thereto, as specified in the application, without specifically approving the plans and specifications thereof.

IT IS FURTHER ORDERED that the financing for the project, consisting of a \$300,000 loan from the West Virginia Department of Environmental Protection at 2% interest and an annual administrative fee of 1% for 20 years, be, and hereby is, approved.

IT IS FURTHER ORDERED that, if the scope, design, financing or cost of the proposed project changes, the City of Williamstown petition the Public Service Commission for approval of such changes prior to commencing construction. However, if the project cost changes do not require a rate change, Williamstown's certified public accountant may file a verified statement to that effect, in lieu of such petition.

IT IS FURTHER ORDERED that the City of Williamstown file with the Commission the certified bid tabulations for each contract awarded, as soon as they become available.

IT IS FURTHER ORDERED that the City of Williamstown file with the Commission a certificate of substantial completion for each contract awarded for the project certificated herein, as soon as each becomes available.

IT IS FURTHER ORDERED that, if the project certificated in this Order requires the use of the Division of Highways' rights-of-way, the City of Williamstown fully comply with all relevant rules and regulations of the Division of Highways.

IT IS FURTHER ORDERED that the City of Williamstown file with the Commission copies of all other outstanding regulatory permits and approvals required for the construction of this project prior to construction.

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

The Executive Secretary is ordered to serve this Order upon the Commission and its Staff by hand delivery, upon all parties of record who have filed an e-service agreement with the Commission by electronic service and upon all other parties by United States Certified Mail, return receipt requested.

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

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

Any party may request waiver of the right to file exceptions by filing an appropriate petition in writing with the Executive Secretary. No such waiver, however, will be effective until approved by order of the Commission.



Darren Olofson  
Administrative Law Judge

DO:s:lc  
141610a.doc

\$336,500  
THE CITY OF WILLIAMSTOWN  
SEWER REVENUE BONDS, 2015 SERIES A  
(WEST VIRGINIA SRF PROGRAM)

CERTIFICATE OF REGISTRATION OF BONDS

UNITED BANK, INC. Charleston, West Virginia, as Registrar under the Bond Ordinance and Registrar's Agreement, providing for the above-captioned bond issue of The City of Williamstown (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Sewer Revenue Bonds, 2015 Series A (West Virginia SRF Program) of the Issuer, dated September 30, 2015, in the principal amount of \$336,500, numbered AR-1, was registered as to principal and interest in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of United Bank, Inc., as Registrar.

WITNESS my signature on this 30<sup>th</sup> day of September, 2015.

UNITED BANK, INC.

By: \_\_\_\_\_

Its: Vice President

\$336,500  
THE CITY OF WILLIAMSTOWN  
SEWER REVENUE BONDS, 2015 SERIES A  
(WEST VIRGINIA SRF PROGRAM)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 30<sup>th</sup> day of September, 2015, by and between THE CITY OF WILLIAMSTOWN, a municipal corporation (the "Issuer"), and UNITED BANK, INC., Charleston, West Virginia ("Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$336,500 Sewer Revenue Bonds, 2015 Series A (West Virginia SRF Program), in fully registered form (the "Bonds"), pursuant to a Bond Ordinance duly enacted by the Issuer on September 15, 2015, as supplemented by a Supplemental Resolution of the Issuer duly adopted on September 15, 2015 (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.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the attached schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Ordinance with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Ordinance, the terms of the Ordinance shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Ordinance will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER:                   The City of Williamstown  
                                  100 W. 5<sup>th</sup> Street  
                                  Williamstown, West Virginia 26187  
                                  Attention: City Clerk

REGISTRAR:             United Bank, Inc.  
                                  500 Virginia Street, East  
                                  Charleston, West Virginia  
                                  Attention: Corporate Trust Department

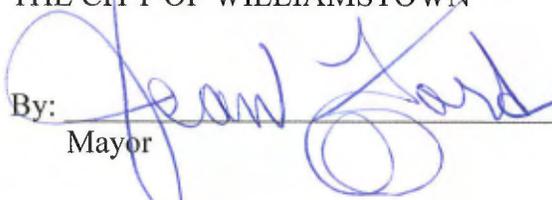
8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Ordinance.

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

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, THE CITY OF WILLIAMSTOWN and UNITED BANK, INC. 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.

THE CITY OF WILLIAMSTOWN

By:  \_\_\_\_\_  
Mayor

UNITED BANK, INC.

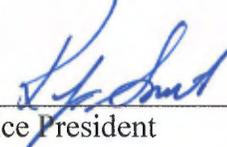
By:  \_\_\_\_\_  
Vice President

EXHIBIT A

Bond Ordinance (See Tab No. 1)  
Supplemental Resolution (See Tab No. 2)

SCHEDULE OF COMPENSATION

(Please see attached)



I N V O I C E

Date: September 30, 2015

To: City of Williamstown  
100 West Fifth Street  
Williamstown, WV  
Attn: Mayor

Re: The City of Williamstown  
Sewer Revenue Bonds  
2015 Series A  
(West Virginia SRF Program)

Amount Due: \$ 500.00

Acceptance Fee \$ 500.00

Please remit to United Bank  
Corporate Trust Department  
P. O. Box 393  
Charleston, WV 25322

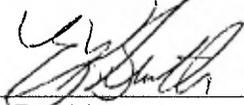
\$336,500  
THE CITY OF WILLIAMSTOWN  
SEWER REVENUE BONDS, 2015 SERIES A  
(WEST VIRGINIA SRF PROGRAM)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

Williamstown Bank, Inc., Williamstown, West Virginia, hereby accepts appointment as Depository Bank in connection with the Bond Ordinance of The City of Williamstown (the "Issuer"), duly enacted by the City Council of the Issuer (the "Council") on September 15, 2015, as supplemented by a Supplemental Resolution adopted by the Council on September 15, 2015 (collectively, the "Ordinance"), authorizing the issuance of the City's Sewer Revenue Bonds, 2015 Series A (West Virginia SRF Program), dated September 30, 2015, in the principal amount of \$336,500, all as set forth in the Ordinance.

WITNESS my signature on this 18<sup>th</sup> day of September, 2015.

WILLIAMSTOWN BANK, INC.

By:   
Its: President



WEST VIRGINIA

**Water Development Authority**

*Celebrating 41 Years of Service 1974 - 2015*

September 30, 2015

\$336,500

THE CITY OF WILLIAMSTOWN  
SEWER REVENUE BONDS, 2015 SERIES A  
(WEST VIRGINIA SRF PROGRAM)

CONSENT TO ISSUANCE OF PARITY BONDS

In reliance upon a certificate of Bassett & Lowe, independent certified public accountants, and the opinion of Spilman Thomas & Battle, PLLC, Bond Counsel, stating that the coverage and parity requirements have been met (copies of which are attached hereto), 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, 2015 Series A (West Virginia SRF Program) (the "Bonds"), in the original principal amount of \$336,500, by The City of Williamstown (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: (a) Sewerage System Revenue Bonds, Series 1987 A, dated June 25, 1987, issued in the original aggregate principal amount of \$15,551 (the "1987 A Bonds"); (b) Sewerage System Revenue Bonds, Series 1987 B, dated June 25, 1987, issued in the original aggregate principal amount of \$169,539 (the "1987 B Bonds"); (c) Sewerage System Revenue Bonds, Series 1987 A-1, dated June 25, 1987, issued in the original aggregate principal amount of \$659,637 (the "1987 A-1 Bonds"); (d) Sewer Revenue Bonds, Series 2005 A (West Virginia SRF Program), dated June 2, 2005, issued in the original aggregate principal amount of \$230,282 (the "2005 A Bonds"); and (e) Sewer Revenue Bonds, Series 2009 (West Virginia SRF Program), dated December 9, 2009, issued in the original aggregate principal amount of \$800,000 (the "2009 Bonds," and collectively with the 1987 A Bonds, the 1987 B Bonds, the 1987 A-1 Bonds and the 2005 A Bonds, the "Prior Bonds").

WITNESS my signature on this 30<sup>th</sup> day of September, 2015.

WEST VIRGINIA WATER DEVELOPMENT  
AUTHORITY

By:

Its Authorized Representative

**WV MUNICIPAL BOND COMMISSION**

900 Pennsylvania Avenue, Suite 1117  
 Charleston, WV 25302  
 (304) 558-3971

**NEW ISSUE REPORT FORM**

Date of Report: September 30, 2015

ISSUE: <u>City of Williamstown Sewer Revenue Bonds, 2015 Series A (West Virginia SRF Program)</u>	
ADDRESS: 100 West Fifth Street Williamstown, WV 26187	COUNTY: Wood
PURPOSE OF ISSUE: <u>New Money: X</u> Refunding:	REFUNDS ISSUE(S) DATED:
ISSUE DATE: <u>September 30, 2015</u>	CLOSING DATE: <u>September 30, 2015</u>
ISSUE AMOUNT: <u>\$336,500.00</u>	RATE: <u>2%</u>
1ST DEBT SERVICE DUE: <u>September 1, 2016</u>	1ST PRINCIPAL DUE: <u>September 1, 2016</u>
1ST DEBT SERVICE AMOUNT: <u>\$5,062.50*</u>	PAYING AGENT: <u>WV Municipal Bond Commission</u>
BOND COUNSEL: <u>Spilman Thomas &amp; Battle, PLLC</u> Contact Person: <u>Elizabeth Benedetto, Esquire</u> Phone: <u>(304) 340-3861</u>	UNDERWRITER'S COUNSEL: Contact Person: Phone: <u>(304)</u>
CLOSING BANK: <u>Williamstown Bank</u> Contact Person: <u>Sharon Anderson</u> Phone: <u>304-375-6262</u>	ESCROW TRUSTEE: Contact Person: Phone:
KNOWLEDGEABLE ISSUER CONTACT Contact Person: <u>Susan Knopp</u> Position: <u>City Clerk</u> Phone: <u>(304) 375-7761</u>	OTHER: Contact Person: Function: Phone:
DEPOSITS TO MBC AT CLOSE: By: <u>    </u> Wire <u>    </u> Check <u>    </u> In-House Transfer <u>    </u> Other	Accrued Interest: \$ <u>                    </u> Capitalized Interest: \$ <u>                    </u> Reserve Account: \$ <u>                    </u> Other: Escrow to Refund \$ <u>                    </u>
REFUNDS & TRANSFERS BY MBC AT CLOSE By: <u>    </u> Wire <u>    </u> Check <u>    </u> IGT <u>    </u> To Other: <u>                    </u>	<u>    </u> To Escrow Trustee: \$ <u>                    </u> <u>    </u> To Issuer \$ <u>                    </u> (less any fees) (Release of Surplus Funds) <u>    </u> To Cons. Invest. Fund \$ <u>                    </u>
NOTES:  * Does not include Admin Fee of \$454.06.	
FOR MUNICIPAL BOND COMMISSION USE ONLY: Documents Required: _____ Transfers Required: _____	

Net Debt Service  
City of Williamstown  
CWSRF  
\$336,500  
2% Interest Rate  
1% Administrative Fee

Date	Principal	Coupon	Interest	Total Debt Service	Admin Fee	Net Debt Service
9/1/2016	3,380	2.000%	1,682.50	5,062.50	454.06	5,516.56
12/1/2016	3,397	2.000%	1,665.60	5,062.60	454.06	5,516.66
3/1/2017	3,414	2.000%	1,648.62	5,062.62	454.06	5,516.68
6/1/2017	3,431	2.000%	1,631.55	5,062.55	454.06	5,516.61
9/1/2017	3,448	2.000%	1,614.39	5,062.39	454.06	5,516.45
12/1/2017	3,465	2.000%	1,597.15	5,062.15	454.06	5,516.21
3/1/2018	3,483	2.000%	1,579.83	5,062.83	454.06	5,516.89
6/1/2018	3,500	2.000%	1,562.41	5,062.41	454.06	5,516.47
9/1/2018	3,517	2.000%	1,544.91	5,061.91	454.06	5,515.97
12/1/2018	3,535	2.000%	1,527.33	5,062.33	454.06	5,516.39
3/1/2019	3,553	2.000%	1,509.65	5,062.65	454.06	5,516.71
6/1/2019	3,571	2.000%	1,491.89	5,062.89	454.06	5,516.95
9/1/2019	3,588	2.000%	1,474.03	5,062.03	454.06	5,516.09
12/1/2019	3,606	2.000%	1,456.09	5,062.09	454.06	5,516.15
3/1/2020	3,624	2.000%	1,438.06	5,062.06	454.06	5,516.12
6/1/2020	3,642	2.000%	1,419.94	5,061.94	454.06	5,516.00
9/1/2020	3,661	2.000%	1,401.73	5,062.73	454.06	5,516.79
12/1/2020	3,679	2.000%	1,383.43	5,062.43	454.06	5,516.49
3/1/2021	3,697	2.000%	1,365.03	5,062.03	454.06	5,516.09
6/1/2021	3,716	2.000%	1,346.55	5,062.55	454.06	5,516.61
9/1/2021	3,734	2.000%	1,327.97	5,061.97	454.06	5,516.03
12/1/2021	3,753	2.000%	1,309.30	5,062.30	454.06	5,516.36
3/1/2022	3,772	2.000%	1,290.53	5,062.53	454.06	5,516.59
6/1/2022	3,791	2.000%	1,271.67	5,062.67	454.06	5,516.73
9/1/2022	3,810	2.000%	1,252.72	5,062.72	454.06	5,516.78
12/1/2022	3,829	2.000%	1,233.67	5,062.67	454.06	5,516.73
3/1/2023	3,848	2.000%	1,214.52	5,062.52	454.06	5,516.58
6/1/2023	3,867	2.000%	1,195.28	5,062.28	454.06	5,516.34
9/1/2023	3,886	2.000%	1,175.95	5,061.95	454.06	5,516.01
12/1/2023	3,906	2.000%	1,156.52	5,062.52	454.06	5,516.58
3/1/2024	3,925	2.000%	1,136.99	5,061.99	454.06	5,516.05
6/1/2024	3,945	2.000%	1,117.36	5,062.36	454.06	5,516.42
9/1/2024	3,965	2.000%	1,097.64	5,062.64	454.06	5,516.70
12/1/2024	3,985	2.000%	1,077.81	5,062.81	454.06	5,516.87
3/1/2025	4,005	2.000%	1,057.89	5,062.89	454.06	5,516.95
6/1/2025	4,025	2.000%	1,037.86	5,062.86	454.06	5,516.92
9/1/2025	4,045	2.000%	1,017.74	5,062.74	454.06	5,516.80
12/1/2025	4,065	2.000%	997.51	5,062.51	454.06	5,516.57
3/1/2026	4,085	2.000%	977.19	5,062.19	454.06	5,516.25
6/1/2026	4,106	2.000%	956.76	5,062.76	454.06	5,516.82
9/1/2026	4,126	2.000%	936.23	5,062.23	454.06	5,516.29
12/1/2026	4,147	2.000%	915.60	5,062.60	454.06	5,516.66
3/1/2027	4,168	2.000%	894.87	5,062.87	454.06	5,516.93
6/1/2027	4,188	2.000%	874.03	5,062.03	454.06	5,516.09
9/1/2027	4,209	2.000%	853.09	5,062.09	454.06	5,516.15
12/1/2027	4,230	2.000%	832.04	5,062.04	454.06	5,516.10
3/1/2028	4,252	2.000%	810.89	5,062.89	454.06	5,516.95

Net Debt Service  
City of Williamstown  
CWSRF  
\$336,500  
2% Interest Rate  
1% Administrative Fee

Date	Principal	Coupon	Interest	Total Debt Service	Admin Fee	Net Debt Service
6/1/2028	4,273	2.000%	789.63	5,062.63	454.06	5,516.69
9/1/2028	4,294	2.000%	768.27	5,062.27	454.06	5,516.33
12/1/2028	4,316	2.000%	746.80	5,062.80	454.06	5,516.86
3/1/2029	4,337	2.000%	725.22	5,062.22	454.06	5,516.28
6/1/2029	4,359	2.000%	703.53	5,062.53	454.06	5,516.59
9/1/2029	4,381	2.000%	681.74	5,062.74	454.06	5,516.80
12/1/2029	4,403	2.000%	659.83	5,062.83	454.06	5,516.89
3/1/2030	4,425	2.000%	637.82	5,062.82	454.06	5,516.88
6/1/2030	4,447	2.000%	615.69	5,062.69	454.06	5,516.75
9/1/2030	4,469	2.000%	593.46	5,062.46	454.06	5,516.52
12/1/2030	4,491	2.000%	571.11	5,062.11	454.06	5,516.17
3/1/2031	4,514	2.000%	548.66	5,062.66	454.06	5,516.72
6/1/2031	4,536	2.000%	526.09	5,062.09	454.06	5,516.15
9/1/2031	4,559	2.000%	503.41	5,062.41	454.06	5,516.47
12/1/2031	4,582	2.000%	480.61	5,062.61	454.06	5,516.67
3/1/2032	4,605	2.000%	457.70	5,062.70	454.06	5,516.76
6/1/2032	4,628	2.000%	434.68	5,062.68	454.06	5,516.74
9/1/2032	4,651	2.000%	411.54	5,062.54	454.06	5,516.60
12/1/2032	4,674	2.000%	388.28	5,062.28	454.06	5,516.34
3/1/2033	4,698	2.000%	364.91	5,062.91	454.06	5,516.97
6/1/2033	4,721	2.000%	341.42	5,062.42	454.06	5,516.48
9/1/2033	4,745	2.000%	317.82	5,062.82	454.06	5,516.88
12/1/2033	4,768	2.000%	294.09	5,062.09	454.06	5,516.15
3/1/2034	4,792	2.000%	270.25	5,062.25	454.06	5,516.31
6/1/2034	4,816	2.000%	246.29	5,062.29	454.06	5,516.35
9/1/2034	4,840	2.000%	222.21	5,062.21	454.06	5,516.27
12/1/2034	4,864	2.000%	198.01	5,062.01	454.06	5,516.07
3/1/2035	4,889	2.000%	173.69	5,062.69	454.06	5,516.75
6/1/2035	4,913	2.000%	149.25	5,062.25	454.06	5,516.31
9/1/2035	4,938	2.000%	124.68	5,062.68	454.06	5,516.74
12/1/2035	4,962	2.000%	99.99	5,061.99	454.06	5,516.05
3/1/2036	4,987	2.000%	75.18	5,062.18	454.06	5,516.24
6/1/2036	5,012	2.000%	50.25	5,062.25	454.06	5,516.31
9/1/2036	5,037	2.000%	25.19	5,062.19	454.05	5,516.24
	336,500		73,557.62	410,057.62	36,778.85	446,836.47

The quarterly administration fee is calculated based upon 1% of the bond payments and will be \$454.06, with a final payment of \$454.05 to total \$36,778.85.

**\$336,500**  
**THE CITY OF WILLIAMSTOWN**  
**SEWER REVENUE BONDS, 2015 SERIES A**  
**(WEST VIRGINIA SRF PROGRAM)**

**SWEEP RESOLUTION**

**WHEREAS**, The City of Williamstown (the "Issuer") is a governmental body and political subdivision of West Virginia;

**WHEREAS**, the Issuer has issued its \$336,500 Sewer Revenue Bonds, 2015 Series A (West Virginia SRF Program) (the "Bonds");

**WHEREAS**, the Issuer makes monthly debt service payments on the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

**WHEREAS**, the MBC may accept such monthly payments by electronic funds transfer thereby eliminating delay in payments and lost checks;

**WHEREAS**, pursuant to Section 5a of Chapter 13, Article 3 of the Code of West Virginia, 1931, as amended, the MBC has established fees for its services (the "MBC Fee"); and

**WHEREAS**, the Issuer finds and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service payments be made by electronic funds transfer with the State Treasurer sweeping the Issuer's account.

**NOW THEREFORE BE IT RESOLVED AS FOLLOWS:**

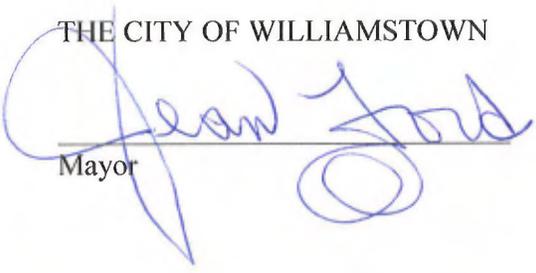
1) The monthly debt service payments on the Bonds, as set forth in Exhibit A, along with the MBC Fee, shall be made to the MBC by electronic funds transfer by the State Treasurer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2) The Mayor and City Clerk are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.

3) This resolution shall be effective immediately upon adoption.

Adopted this 15<sup>th</sup> day of September, 2015.

THE CITY OF WILLIAMSTOWN

  
\_\_\_\_\_  
Mayor

Net Debt Service  
City of Williamstown  
CWSRF  
\$336,500  
2% Interest Rate  
1% Administrative Fee

Date	Principal	Coupon	Interest	Total Debt Service	Admin Fee	Net Debt Service
9/1/2016	3,380	2.000%	1,682.50	5,062.50	454.06	5,516.56
12/1/2016	3,397	2.000%	1,665.60	5,062.60	454.06	5,516.66
3/1/2017	3,414	2.000%	1,648.62	5,062.62	454.06	5,516.68
6/1/2017	3,431	2.000%	1,631.55	5,062.55	454.06	5,516.61
9/1/2017	3,448	2.000%	1,614.39	5,062.39	454.06	5,516.45
12/1/2017	3,465	2.000%	1,597.15	5,062.15	454.06	5,516.21
3/1/2018	3,483	2.000%	1,579.83	5,062.83	454.06	5,516.89
6/1/2018	3,500	2.000%	1,562.41	5,062.41	454.06	5,516.47
9/1/2018	3,517	2.000%	1,544.91	5,061.91	454.06	5,515.97
12/1/2018	3,535	2.000%	1,527.33	5,062.33	454.06	5,516.39
3/1/2019	3,553	2.000%	1,509.65	5,062.65	454.06	5,516.71
6/1/2019	3,571	2.000%	1,491.89	5,062.89	454.06	5,516.95
9/1/2019	3,588	2.000%	1,474.03	5,062.03	454.06	5,516.09
12/1/2019	3,606	2.000%	1,456.09	5,062.09	454.06	5,516.15
3/1/2020	3,624	2.000%	1,438.06	5,062.06	454.06	5,516.12
6/1/2020	3,642	2.000%	1,419.94	5,061.94	454.06	5,516.00
9/1/2020	3,661	2.000%	1,401.73	5,062.73	454.06	5,516.79
12/1/2020	3,679	2.000%	1,383.43	5,062.43	454.06	5,516.49
3/1/2021	3,697	2.000%	1,365.03	5,062.03	454.06	5,516.09
6/1/2021	3,716	2.000%	1,346.55	5,062.55	454.06	5,516.61
9/1/2021	3,734	2.000%	1,327.97	5,061.97	454.06	5,516.03
12/1/2021	3,753	2.000%	1,309.30	5,062.30	454.06	5,516.36
3/1/2022	3,772	2.000%	1,290.53	5,062.53	454.06	5,516.59
6/1/2022	3,791	2.000%	1,271.67	5,062.67	454.06	5,516.73
9/1/2022	3,810	2.000%	1,252.72	5,062.72	454.06	5,516.78
12/1/2022	3,829	2.000%	1,233.67	5,062.67	454.06	5,516.73
3/1/2023	3,848	2.000%	1,214.52	5,062.52	454.06	5,516.58
6/1/2023	3,867	2.000%	1,195.28	5,062.28	454.06	5,516.34
9/1/2023	3,886	2.000%	1,175.95	5,061.95	454.06	5,516.01
12/1/2023	3,906	2.000%	1,156.52	5,062.52	454.06	5,516.58
3/1/2024	3,925	2.000%	1,136.99	5,061.99	454.06	5,516.05
6/1/2024	3,945	2.000%	1,117.36	5,062.36	454.06	5,516.42
9/1/2024	3,965	2.000%	1,097.64	5,062.64	454.06	5,516.70
12/1/2024	3,985	2.000%	1,077.81	5,062.81	454.06	5,516.87
3/1/2025	4,005	2.000%	1,057.89	5,062.89	454.06	5,516.95
6/1/2025	4,025	2.000%	1,037.86	5,062.86	454.06	5,516.92
9/1/2025	4,045	2.000%	1,017.74	5,062.74	454.06	5,516.80
12/1/2025	4,065	2.000%	997.51	5,062.51	454.06	5,516.57
3/1/2026	4,085	2.000%	977.19	5,062.19	454.06	5,516.25
6/1/2026	4,106	2.000%	956.76	5,062.76	454.06	5,516.82
9/1/2026	4,126	2.000%	936.23	5,062.23	454.06	5,516.29
12/1/2026	4,147	2.000%	915.60	5,062.60	454.06	5,516.66
3/1/2027	4,168	2.000%	894.87	5,062.87	454.06	5,516.93
6/1/2027	4,188	2.000%	874.03	5,062.03	454.06	5,516.09
9/1/2027	4,209	2.000%	853.09	5,062.09	454.06	5,516.15
12/1/2027	4,230	2.000%	832.04	5,062.04	454.06	5,516.10
3/1/2028	4,252	2.000%	810.89	5,062.89	454.06	5,516.95

Net Debt Service  
City of Williamstown  
CWSRF  
\$336,500  
2% Interest Rate  
1% Administrative Fee

Date	Principal	Coupon	Interest	Total Debt Service	Admin Fee	Net Debt Service
6/1/2028	4,273	2.000%	789.63	5,062.63	454.06	5,516.69
9/1/2028	4,294	2.000%	768.27	5,062.27	454.06	5,516.33
12/1/2028	4,316	2.000%	746.80	5,062.80	454.06	5,516.86
3/1/2029	4,337	2.000%	725.22	5,062.22	454.06	5,516.28
6/1/2029	4,359	2.000%	703.53	5,062.53	454.06	5,516.59
9/1/2029	4,381	2.000%	681.74	5,062.74	454.06	5,516.80
12/1/2029	4,403	2.000%	659.83	5,062.83	454.06	5,516.89
3/1/2030	4,425	2.000%	637.82	5,062.82	454.06	5,516.88
6/1/2030	4,447	2.000%	615.69	5,062.69	454.06	5,516.75
9/1/2030	4,469	2.000%	593.46	5,062.46	454.06	5,516.52
12/1/2030	4,491	2.000%	571.11	5,062.11	454.06	5,516.17
3/1/2031	4,514	2.000%	548.66	5,062.66	454.06	5,516.72
6/1/2031	4,536	2.000%	526.09	5,062.09	454.06	5,516.15
9/1/2031	4,559	2.000%	503.41	5,062.41	454.06	5,516.47
12/1/2031	4,582	2.000%	480.61	5,062.61	454.06	5,516.67
3/1/2032	4,605	2.000%	457.70	5,062.70	454.06	5,516.76
6/1/2032	4,628	2.000%	434.68	5,062.68	454.06	5,516.74
9/1/2032	4,651	2.000%	411.54	5,062.54	454.06	5,516.60
12/1/2032	4,674	2.000%	388.28	5,062.28	454.06	5,516.34
3/1/2033	4,698	2.000%	364.91	5,062.91	454.06	5,516.97
6/1/2033	4,721	2.000%	341.42	5,062.42	454.06	5,516.48
9/1/2033	4,745	2.000%	317.82	5,062.82	454.06	5,516.88
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3/1/2034	4,792	2.000%	270.25	5,062.25	454.06	5,516.31
6/1/2034	4,816	2.000%	246.29	5,062.29	454.06	5,516.35
9/1/2034	4,840	2.000%	222.21	5,062.21	454.06	5,516.27
12/1/2034	4,864	2.000%	198.01	5,062.01	454.06	5,516.07
3/1/2035	4,889	2.000%	173.69	5,062.69	454.06	5,516.75
6/1/2035	4,913	2.000%	149.25	5,062.25	454.06	5,516.31
9/1/2035	4,938	2.000%	124.68	5,062.68	454.06	5,516.74
12/1/2035	4,962	2.000%	99.99	5,061.99	454.06	5,516.05
3/1/2036	4,987	2.000%	75.18	5,062.18	454.06	5,516.24
6/1/2036	5,012	2.000%	50.25	5,062.25	454.06	5,516.31
9/1/2036	5,037	2.000%	25.19	5,062.19	454.05	5,516.24
	336,500		73,557.62	410,057.62	36,778.85	446,836.47

The quarterly administration fee is calculated based upon 1% of the bond payments and will be \$454.06, with a final payment of \$454.05 to total \$36,778.85.



Melanie M. Perea  
Real Estate Specialist

August 26, 2013

Bob Kimble  
City of Williamstown  
100 West Fifth Street  
Williamstown, WV 26187

RE: Agreement No.: CSX706661

Dear Bob Kimble:

Attached is fully-executed original of Agreement No. CSX706661, dated July 20, 2012.

In accordance with this Agreement, Agreement Holder is responsible for paying the actual cost of CSXT flagging and/or support services, including all applicable surcharges (collectively "Fees").

**No work is to be performed on CSXT property without Roadmaster's authorization.**

It is your responsibility to schedule any work on CSXT property with CSXT Outside Services. To schedule the work, complete and follow the instructions on the attached Outside Party Number Request Form.

It was a pleasure assisting you with this project and we look forward to working with you in the future. If you have any questions please contact me at 904-279-3946 or [melanie\\_perea@csx.com](mailto:melanie_perea@csx.com)

Sincerely,

Melanie M. Perea

Attachment



Instructions: Please fill out sections 2-4, and then submit to the Flagging Coordinator via email or fax.

**Flagging Coordinator**

E-Mail: op\_request@csx.com  
Fax: 904.245.3692  
Telephone: 904.279.3805

**Flagging/Inspection (Responsibility of Agreement Holder)**

**Average Cost**  
Flagging: \$1,000 per day (minimum 8 hours)  
Inspection: \$1,500 per day

**1. Important Information**

The estimated flagging and inspection cost is based on average cost for 8 hours regular time on CSX work days. Overtime rates will apply for hours beyond 8 hours per day or beyond 40 hours per week for railroad personnel. Inspection costs will include inspector's project time, travel time, expenses, per diem, project management cost for scheduling, means and methods review, coordinating, and general account administration. Other railroad costs may include signal locates, material, rental equipment, burden and tax. The above references flagging and inspection costs are estimates only.

In the event local flagging services are not available at the time of your request, flagging resources from outside the geographical area of your project may be assigned at extra cost to the Agreement Holder/Project Owner. The cost of flagging services vary based on factors including but not limited to, type of project, duration of project, utilization of local or out-of-town flagging personnel, etc.

**2. Project Contact Information**

Contact Name: \_\_\_\_\_  
Company Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City\_State\_Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

**3. Billing Contact Information (Agreement Holder/Facility Owner)**

Contact Name: \_\_\_\_\_  
Company Name: City of Williamstown  
Billing Address: \_\_\_\_\_  
City\_State\_Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

**4. Project Information**

Agreement Number: CSX706661  
Agreement Date: July 20, 2012  
City: Williamstown  
County: Wood County  
State: WV  
Rail Milepost: BN-81.82

Requested Start Date: \_\_\_\_\_

Duration in Days: \_\_\_\_\_

Project Description: 12" HDPE within an 18" steel casing for the conveyance of sanitary sewer via Jack & bore. Abandonment of existing covered under BO L06474

**5. CSX Use Only:**

Road Master (RM): \_\_\_\_\_ OP Number: \_\_\_\_\_  
RM Telephone: \_\_\_\_\_ Valid Thru: \_\_\_\_\_  
RM E-mail: \_\_\_\_\_ Inspector Required:  Yes  No  
Division: \_\_\_\_\_ Subdivision: \_\_\_\_\_  
Signal Manager: \_\_\_\_\_

Telephone: \_\_\_\_\_ Email: \_\_\_\_\_  
Contractor Must Provide CGL  Yes  No Contractor Must Provide RPL  Yes  No

Additional Documents Needed: \_\_\_\_\_

Special Billing Instructions: \_\_\_\_\_

CGL Expiration Date: 10/1/13 RPL Insurance: Paid  Yes  No On File  Yes  No

Project Coordination Fee Due: PAID

*Mick B*



6737 Southpoint Drive South, Suite 100  
Jacksonville, FL 32216

Melanie M. Perea  
Customer Account Specialist

August 20, 2013

Agreement NO: BO L06474

Dear Mr. Kimble:

This letter is to inform you that CSX has reviewed your request to discontinue the use of an existing 6" pipeline solely for the transmission of sewage located at Williamstown, Wood County, West Virginia, Milepost BN-81.85. Your proposal has been approved and this letter shall serve as formal approval to discontinue the use of the existing pipeline pursuant to CSX's Design and Construction Standard Specifications for Pipeline Occupancies, Page 7, Section F, which can be accessed at [www.csx.com](http://www.csx.com). All other terms and conditions in accordance with Agreement number BO L06474 will remain in effect.

CSXT's property signifies your acknowledgement that your company, not CSXT, will be responsible for any harm or damage caused by your facility. CSXT will look to your company to provide maintenance of the facility should any damage occur after it has been discontinued.

Should there be any questions, please feel free to give us a call at the above referenced number.

Sincerely,

A handwritten signature in black ink, appearing to read "Melanie M. Perea", written in a cursive style.

Melanie M. Perea

## FACILITY ENCROACHMENT AGREEMENT

THIS AGREEMENT, Made and effective as of July 20, 2012, by and between CSX TRANSPORTATION, INC., a Virginia corporation, whose mailing address is 500 Water Street, Jacksonville, Florida 32202, hereinafter called "Licensor," and CITY OF WILLIAMSTOWN, a municipal corporation, political subdivision or state agency, under the laws of the State of West Virginia, whose mailing address is 100 West Fifth Street, Williamstown, West Virginia 26187, hereinafter called "Licensee," WITNESSETH:

WHEREAS, Licensee desires to construct (unless previously constructed and designated as existing herein), use and maintain the below described facility(ies), hereinafter called "Facilities," over, under or across property owned or controlled by Licensor, at the below described location(s):

1. One (1) twelve inch (12") diameter sub-grade pipeline crossing, solely for the conveyance of raw/treated sewage, located at or near Williamstown, Wood County, West Virginia, Huntington Division, Ohio River Subdivision, Valuation Station 7450+09, Milepost BN-81.82;

hereinafter, collectively, called the "Encroachment," as shown on print(s) labeled Exhibit "B," attached hereto and made a part hereof; other details and data pertaining to said Facilities being as indicated on Exhibit "A," also attached hereto and made a part hereof;

NOW, THEREFORE, in consideration of the mutual covenants, conditions, terms and agreements herein contained, the parties hereto agree and covenant as follows:

### 1. LICENSE:

1.1 Subject to Article 17, Licensor, insofar as it has the legal right, power and authority to do so, and its present title permits, and subject to:

(A) Licensor's present and future right to occupy, possess and use its property within the area of the Encroachment for any and all purposes;

(B) All encumbrances, conditions, covenants, easements, and limitations applicable to Licensor's title to or rights in the subject property; and

(C) Compliance by Licensee with the terms and conditions herein contained;

does hereby license and permit Licensee to construct, maintain, repair, renew, operate, use, alter or change the Facilities at the Encroachment above for the term herein stated, and to remove same upon termination.

1.2 The term Facilities, as used herein, shall include only those structures and ancillary facilities devoted exclusively to the transmission usage above within the Encroachment, and as shown on attached Facility Application Form and plan(s).

1.3 No additional structures or other facilities shall be placed, allowed, or maintained by Licensee in, upon or on the Encroachment except upon prior separate written consent of Licensor.

**2. ENCROACHMENT FEE; TERM:**

2.1 Licensee shall pay Licensor a one-time nonrefundable Encroachment Fee of FOUR THOUSAND AND 00/100 U.S. DOLLARS (\$4,000.00) upon execution of this Agreement. Licensee agrees that the Encroachment Fee applies only to the original Licensee under this Agreement. In the event of a successor (by merger, consolidation, reorganization and/or assignment) or if the original Licensee changes its name, then Licensee shall be subject to payment of Licensor's current administrative and document preparation fees for the cost incurred by Licensor in preparing and maintaining this Agreement on a current basis.

2.2 However, Licensee assumes sole responsibility for, and shall pay directly (or reimburse Licensor), any additional annual taxes and/or periodic assessments levied against Licensor or Licensor's property solely on account of said Facilities or Encroachment.

2.3 This Agreement shall terminate as herein provided, but shall also terminate upon: (a) Licensee's cessation of use of the Facilities or Encroachment for the purpose(s) above; (b) removal of the Facilities; (c) subsequent mutual consent; and/or (d) failure of Licensee to complete installation within five (5) years from the effective date of this Agreement.

2.4 In further consideration for the license or right hereby granted, Licensee hereby agrees that Licensor shall not be charged or assessed, directly or indirectly, with any part of the cost of the installation of said Facilities and appurtenances, and/or maintenance thereof, or for any public works project of which said Facilities is a part.

**3. CONSTRUCTION, MAINTENANCE AND REPAIRS:**

3.1 Licensee shall construct, maintain, relocate, repair, renew, alter, and/or remove the Facilities, in a prudent, workmanlike manner, using quality materials and complying with any applicable standard(s) or regulation(s) of Licensor (A.R.E.M.A. Specifications), or Licensee's particular industry, National Electrical Safety Code, or any governmental or regulatory body having jurisdiction over the Encroachment.

3.2 Location and construction of Facilities shall be made strictly in accordance with design(s) and specifications furnished to and approved by Licensor and of material(s) and size(s) appropriate for the purpose(s) above recited.

3.3 All of Licensee's work, and exercise of rights hereunder, shall be undertaken at time(s) satisfactory to Licensor, and so as to eliminate or minimize any impact on or interference with the safe use and operation of Licensor's property and appurtenances thereto.

3.4 In the installation, maintenance, repair and/or removal of said Facilities, Licensee shall not use explosives of any type or perform or cause any blasting without the separate express written consent of Licensor. As a condition to such consent, a representative will be assigned by Licensor to monitor blasting, and Licensee shall reimburse Licensor for the entire cost and/or expense of furnishing said monitor.

3.5 Any repairs or maintenance to the Facilities, whether resulting from acts of Licensee, or natural or weather events, which are necessary to protect or facilitate Licensor's use of its property, shall be made by Licensee promptly, but in no event later than thirty (30) days after Licensee has notice as to the need for such repairs or maintenance.

3.6 Licensor, in order to protect or safeguard its property, rail operations, equipment and/or employees from damage or injury, may request immediate repair or renewal of the Facilities, and if the same is not performed, may make or contract to make such repairs or renewals, at the sole risk, cost and expense of Licensee.

3.7 Neither the failure of Licensor to object to any work done, material used, or method of construction or maintenance of said Encroachment, nor any approval given or supervision exercised by Licensor, shall be construed as an admission of liability or responsibility by Licensor, or as a waiver by Licensor of any of the obligations, liability and/or responsibility of Licensee under this Agreement.

3.8 All work on the Encroachment shall be conducted in accordance with Licensor's safety rules and regulations.

3.9 Licensee hereby agrees to reimburse Licensor any loss, cost or expense (including losses resulting from train delays and/or inability to meet train schedules) arising from any failure of Licensee to make repairs or conduct maintenance as required by Section 3.5 above or from improper or incomplete repairs or maintenance to the Facilities or Encroachment.

#### 4. PERMITS, LICENSES:

4.1 Before any work hereunder is performed, or before use of the Encroachment for the contracted purpose, Licensee, at its sole cost and expense, shall obtain all necessary permit(s) (including but not limited to zoning, building, construction, health, safety or environmental matters), letter(s) or certificate(s) of approval. Licensee expressly agrees and warrants that it shall conform and limit its activities to the terms of such permit(s), approval(s) and authorization(s), and shall comply with all applicable ordinances, rules, regulations, requirements and laws of any governmental authority (State, Federal or Local) having jurisdiction over Licensee's activities, including the location, contact, excavation and protection regulations of the Occupational Safety and Health Act (OSHA) (29 CFR 1926.651(b)), et al., and State "One Call" - "Call Before You Dig" requirements.

4.2 Licensee assumes sole responsibility for failure to obtain such permit(s) or approval(s), for any violations thereof, or for costs or expenses of compliance or remedy.

**5. MARKING AND SUPPORT:**

5.1 With respect to any subsurface installation or maintenance upon Licensor's property, Licensee, at its sole cost and expense, shall:

- (A) support track(s) and roadbed in a manner satisfactory to Licensor;
- (B) backfill with satisfactory material and thoroughly tamp all trenches to prevent settling of surface of land and roadbed of Licensor; and
- (C) either remove any surplus earth or material from Licensor's property or cause said surplus earth or material to be placed and distributed at location(s) and in such manner Licensor may approve.

5.2 After construction or maintenance of the Facilities, Licensee shall:

- (A) Restore any track(s), roadbed and other disturbed property; and
- (B) Erect, maintain and periodically verify the accuracy of aboveground markers, in a form approved by Licensor, indicating the location, depth and ownership of any underground Facilities or related facilities.

5.3 Licensee shall be solely responsible for any subsidence or failure of lateral or subjacent support in the Encroachment area for a period of three (3) years after completion of installation.

**6. TRACK CHANGES:**

6.1 In the event that rail operations and/or track maintenance result in changes in grade or alignment of, additions to, or relocation of track(s) or other facilities, or in the event future use of Licensor's rail corridor or property necessitate any change of location, height or depth in the Facilities or Encroachment, Licensee, at its sole cost and expense and within thirty (30) days after notice in writing from Licensor, shall make changes in the Facilities or Encroachment to accommodate such track(s) or operations.

6.2 If Licensee fails to do so, Licensor may make or contract to make such changes at Licensee's cost.

**7. FACILITY CHANGES:**

7.1 Licensee shall periodically monitor and verify the depth or height of the Facilities or Encroachment in relation to the existing tracks and facilities, and shall relocate the Facilities or change the Encroachment, at Licensee's expense, should such relocation or change be necessary to comply with the minimum clearance requirements of Licensor.

7.2 If Licensee undertakes to revise, renew, relocate or change in any manner whatsoever all or any part of the Facilities (including any change in voltage or gauge of wire or any change in circumference, diameter or radius of pipe or change in materials transmitted in and through said pipe), or is required by any public agency or court order to do so, plans therefor shall be submitted to Licensor for approval before such change. After approval, the terms and conditions of this Agreement shall apply thereto.

## **8. INTERFERENCE WITH RAIL FACILITIES:**

8.1 Although the Facilities/Encroachment herein permitted may not presently interfere with Licensor's railroad or facilities, in the event that the operation, existence or maintenance of said Facilities, in the sole judgment of Licensor, causes: (a) interference (including, but not limited to, physical or interference from an electromagnetic induction, or interference from stray or other currents) with Licensor's power lines, communication, signal or other wires, train control system, or electrical or electronic apparatus; or (b) interference in any manner, with the operation, maintenance or use of the rail corridor, track(s), structures, pole line(s), devices, other property, or any appurtenances thereto; then and in either event, Licensee, upon receipt of written notice from Licensor of any such interference, and at Licensee's sole risk, cost and expense, shall promptly make such changes in its Facilities or installation, as may be required in the reasonable judgment of the Licensor to eliminate all such interference. Upon Licensee's failure to remedy or change, Licensor may do so or contract to do so at Licensee's sole cost.

8.2 Without assuming any duty hereunder to inspect the Facilities, Licensor hereby reserves the right to inspect same and to require Licensee to undertake repairs, maintenance or adjustments to the Facilities, which Licensee hereby agrees to make promptly, at Licensee's sole cost and expense.

## **9. RISK, LIABILITY, INDEMNITY:**

With respect to the relative risk and liabilities of the parties, it is hereby agreed that:

9.1 To the fullest extent permitted by State law (constitutional or statutory, as amended), Licensee hereby agrees to, defend, indemnify, and hold Licensor harmless from and against any and all liability, loss, claim, suit, damage, charge or expense which Licensor may suffer, sustain, incur or in any way be subjected to, on account of death of or injury to any person whomsoever (including officers, agents, employees or invitees of Licensor), and for damage to or loss of or destruction of any property whatsoever, arising out of, resulting from, or in any way connected with the construction, repair, maintenance, replacement, presence, existence, operations, use or removal of the Facilities or any structure in connection therewith, or restoration of premises of Licensor to good order or condition after removal, EXCEPT when proven to have been caused solely by the willful misconduct or gross negligence of Licensor. HOWEVER, to the fullest extent permitted by State law, during any period of actual construction, repair, maintenance, replacement or removal of the Facilities, wherein agents, equipment or personnel of Licensee are on the railroad rail corridor, Licensee's liability

hereunder shall be absolute, irrespective of any joint, sole or contributory fault or negligence of Licensor.

9.2 Use of Licensor's rail corridor involves certain risks of loss or damage as a result of the rail operations. Notwithstanding Section 9.1, Licensee expressly assumes all risk of loss and damage to Licensee's Property or the Facilities in, on, over or under the Encroachment, including loss of or any interference with use or service thereof, regardless of cause, including electrical field creation, fire or derailment resulting from rail operations. For this Section, the term "Licensee's Property" shall include property of third parties situated or placed upon Licensor's rail corridor by Licensee or by such third parties at request of or for benefit of Licensee.

9.3 To the fullest extent permitted by State law, as above, Licensee assumes all responsibility for, and agrees to defend, indemnify and hold Licensor harmless from: (a) all claims, costs and expenses, including reasonable attorneys' fees, as a consequence of any sudden or nonsudden pollution of air, water, land and/or ground water on or off the Encroachment area, arising from or in connection with the use of this Encroachment or resulting from leaking, bursting, spilling, or any escape of the material transmitted in or through the Facilities; (b) any claim or liability arising under federal or state law dealing with either such sudden or nonsudden pollution of air, water, land and/or ground water arising therefrom or the remedy thereof; and (c) any subsidence or failure of lateral or subjacent support of the tracks arising from such Facilities leakage.

9.4 Notwithstanding Section 9.1, Licensee also expressly assumes all risk of loss which in any way may result from Licensee's failure to maintain either required clearances for any overhead Facilities or the required depth and encasement for any underground Facilities, whether or not such loss(es) result(s) in whole or part from Licensor's contributory negligence or joint fault.

9.5 Obligations of Licensee hereunder to release, indemnify and hold Licensor harmless shall also extend to companies and other legal entities that control, are controlled by, subsidiaries of, or are affiliated with Licensor, as well as any railroad that operates over the rail corridor on which the Encroachment is located, and the officers, employees and agents of each.

9.6 If a claim is made or action is brought against Licensor, and/or its operating lessee, for which Licensee may be responsible hereunder, in whole or in part, Licensee shall be notified to assume the handling or defense of such claim or action; but Licensor may participate in such handling or defense.

9.7 Notwithstanding anything contained in this Agreement, the limitation of liability contained in the state statutes, as amended from time to time, shall not limit Licensor's ability to collect under the insurance policies required to be maintained under this Agreement.

**10. INSURANCE:**

10.1 Prior to commencement of surveys, installation or occupation of premises pursuant to this Agreement, Licensee shall procure and shall maintain during the continuance of this Agreement, at its sole cost and expense, a policy of

(i) Statutory Worker's Compensation and Employers Liability Insurance with available limits of not less than ONE MILLION AND 00/100 U.S. DOLLARS (\$1,000,000.00), which must contain a waiver of subrogation against CSXT and its Affiliates;

(ii) Commercial General Liability coverage (inclusive of contractual liability) with available limits of not less than FIVE MILLION AND 00/100 U.S. DOLLARS (\$5,000,000.00), naming Licensor, and/or its designee, as additional insured and in combined single limits for bodily injury and property damage and covering the contractual liabilities assumed under this Agreement. The evidence of insurance coverage shall be endorsed to provide for thirty (30) days' notice to Licensor, or its designee, prior to cancellation or modification of any policy. Mail CGL certificate, along with agreement, to CSX Transportation, Inc., Speed Code J180, 500 Water Street, Jacksonville, FL 32202. On each successive year, send certificate to [RenewalCOI@csx.com](mailto:RenewalCOI@csx.com).

(iii) Business automobile liability insurance with available limits of not less than ONE MILLION AND 00/100 U.S. DOLLARS (\$1,000,000.00) combined single limit for bodily injury and/or property damage per occurrence;

(iv) Such other insurance as Licensor may reasonably require.

10.2 If Licensee's existing CGL policy(ies) do(es) not automatically cover Licensee's contractual liability during periods of survey, installation, maintenance and continued occupation, a specific endorsement adding such coverage shall be purchased by Licensee. If said CGL policy is written on a "claims made" basis instead of a "per occurrence" basis, Licensee shall arrange for adequate time for reporting losses. Failure to do so shall be at Licensee's sole risk.

10.3 Licensor, or its designee, may at any time request evidence of insurance purchased by Licensee to comply with this Agreement. Failure of Licensee to comply with Licensor's request shall be considered a default by Licensee.

10.4 Securing such insurance shall not limit Licensee's liability under this Agreement, but shall be security therefor.

10.5 (A) In the event Licensee finds it necessary to perform construction or demolition operations within fifty feet (50') of any operated railroad track(s) or affecting any railroad bridge, trestle, tunnel, track(s), roadbed, overpass or underpass, Licensee shall: (a) notify Licensor; and (b) require its contractor(s) performing such operations to procure and maintain during the period of construction or demolition operations, at no cost to Licensor, Railroad Protective Liability (RPL) Insurance, naming Licensor, and/or its designee, as Named Insured,

written on the current ISO/RIMA Form (ISO Form No. CG 00 35 01 96) with limits of FIVE MILLION AND 00/100 U.S. DOLLARS (\$5,000,000.00) per occurrence for bodily injury and property damage, with at least TEN MILLION AND 00/100 U.S. DOLLARS (\$10,000,000.00) aggregate limit per annual policy period, with Pollution Exclusion Amendment (ISO CG 28 31 11 85) if an older ISO Form CG 00 35 is used. The original of such RPL policy shall be sent to and approved by Licensor prior to commencement of such construction or demolition. Licensor reserves the right to demand higher limits.

(B) At Licensor's option, in lieu of purchasing RPL insurance from an insurance company (but not CGL insurance), Licensee may pay Licensor, at Licensor's current rate at time of request, the cost of adding this Encroachment, or additional construction and/or demolition activities, to Licensor's Railroad Protective Liability (RPL) Policy for the period of actual construction. This coverage is offered at Licensor's discretion and may not be available under all circumstances.

10.6 Notwithstanding the provisions of Sections 10.1 and 10.2, Licensee, pursuant to State Statute(s), may self-insure or self-assume, in any amount(s), any contracted liability arising under this Agreement, under a funded program of self-insurance, which fund will respond to liability of Licensee imposed by and in accordance with the procedures established by law.

## 11. GRADE CROSSINGS; FLAGGING:

11.1 Nothing herein contained shall be construed to permit Licensee or Licensee's contractor to move any vehicles or equipment over the track(s), except at public road crossing(s), without separate prior written approval of Licensor (CSXT Form 7422).

11.2 If Licensor deems it advisable, during any construction, maintenance, repair, renewal, alteration, change or removal of said Facilities, to place watchmen, flagmen, inspectors or supervisors for protection of operations of Licensor or others on Licensor's rail corridor at the Encroachment, and to keep persons, equipment or materials away from the track(s), Licensor shall have the right to do so at the expense of Licensee, but Licensor shall not be liable for failure to do so.

11.3 Subject to Licensor's consent and to Licensor's Railroad Operating Rules and labor agreements, Licensee may provide flagmen, watchmen, inspectors or supervisors during all times of construction, repair, maintenance, replacement or removal, at Licensee's sole risk and expense; and in such event, Licensor shall not be liable for the failure or neglect of such watchmen, flagmen, inspectors or supervisors.

## 12. LICENSOR'S COSTS:

12.1 Any additional or alternative costs or expenses incurred by Licensor to accommodate Licensee's continued use of Licensor's property as a result of track changes or wire changes shall also be paid by Licensee.

12.2 Licensor's expense for wages ("force account" charges) and materials for any work performed at the expense of Licensee pursuant hereto shall be paid by Licensee within thirty (30) days after receipt of Licensor's bill therefor. Licensor may, at its discretion, request an advance deposit for estimated Licensor costs and expenses.

12.3 Such expense shall include, but not be limited to, cost of railroad labor and supervision under "force account" rules, plus current applicable overhead percentages, the actual cost of materials, and insurance, freight and handling charges on all material used. Equipment rentals shall be in accordance with Licensor's applicable fixed rate. Licensor may, at its discretion, require advance deposits for estimated costs of such expenses and costs.

**13. DEFAULT, BREACH, WAIVER:**

13.1 The proper and complete performance of each covenant of this Agreement shall be deemed of the essence thereof, and in the event Licensee fails or refuses to fully and completely perform any of said covenants or remedy any breach within thirty (30) days after receiving written notice from Licensor to do so (or within forty-eight (48) hours in the event of notice of a railroad emergency), Licensor shall have the option of immediately revoking this Agreement and the privileges and powers hereby conferred, regardless of encroachment fee(s) having been paid in advance for any annual or other period. Upon such revocation, Licensee shall make removal in accordance with Article 14.

13.2 No waiver by Licensor of its rights as to any breach of covenant or condition herein contained shall be construed as a permanent waiver of such covenant or condition, or any subsequent breach thereof, unless such covenant or condition is permanently waived in writing by Licensor.

13.3 Neither the failure of Licensor to object to any work done, material used, or method of construction or maintenance of said Encroachment, nor any approval given or supervision exercised by Licensor, shall be construed as an admission of liability or responsibility by Licensor, or as a waiver by Licensor of any of the obligations, liability and/or responsibility of Licensee under this Agreement.

**14. TERMINATION, REMOVAL:**

14.1 All rights which Licensee may have hereunder shall cease upon the date of (a) termination, (b) revocation, or (c) subsequent agreement, or (d) Licensee's removal of the Facility from the Encroachment. However, neither termination nor revocation of this Agreement shall affect any claims and liabilities which have arisen or accrued hereunder, and which at the time of termination or revocation have not been satisfied; neither party, however, waiving any third party defenses or actions.

14.2 Within thirty (30) days after revocation or termination, Licensee, at its sole risk and expense, shall (a) remove the Facilities from the rail corridor of Licensor, unless the parties hereto agree otherwise, (b) restore the rail corridor of Licensor in a manner satisfactory to

Licensor, and (c) reimburse Licensor any loss, cost or expense of Licensor resulting from such removal.

**15. NOTICE:**

15.1 Licensee shall give Licensor at least thirty (30) days written notice before doing any work on Licensor's rail corridor, except that in cases of emergency shorter notice may be given. Licensee shall provide proper notification as follows:

a. For non-emergencies, Licensee shall complete and submit Licensor's Outside Party Number Request Form (Form # OP) by facsimile, to facsimile numbers: (904) 245-3692. Licensee may also scan and email a completed form to email address: OP\_Request@csx.com. A blank form, as well as additional instructions and information, can be obtained from Licensor's web site, via web link: [http://www.csx.com/share/wwwcsx\\_mura/assets/File/Customers/Non-freight\\_Services/Property\\_Real\\_Estate/Outside\\_Party\\_Number\\_Request\\_Form.pdf](http://www.csx.com/share/wwwcsx_mura/assets/File/Customers/Non-freight_Services/Property_Real_Estate/Outside_Party_Number_Request_Form.pdf).

b. For emergencies, Licensee shall complete all of the steps outlined in Section 15.1 a. above, and shall also include detailed information of the emergency. Licensee shall also call and report details of the emergency to Licensor's Rail Operations Emergency Telephone Number: 1-800-232-0144. In the event Licensor needs to contact Licensee concerning an emergency involving Licensee's Facility(ies), the emergency phone number for Licensee is: 304-375-6128.

15.2 All other notices and communications concerning this Agreement shall be addressed to Licensee at the address above, and to Licensor at the address shown on Page 1, c/o CSXT Contract Management, J180; or at such other address as either party may designate in writing to the other.

15.3 Unless otherwise expressly stated herein, all such notices shall be in writing and sent via Certified or Registered Mail, Return Receipt Requested, or by courier, and shall be considered delivered upon: (a) actual receipt, or (b) date of refusal of such delivery.

**16. ASSIGNMENT:**

16.1 The rights herein conferred are the privileges of Licensee only, and Licensee shall obtain Licensor's prior written consent to any assignment of Licensee's interest herein; said consent shall not be unreasonably withheld.

16.2 Subject to Sections 2 and 16.1, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors or assigns.

16.3 Licensee shall give Licensor written notice of any legal succession (by merger, consolidation, reorganization, etc.) or other change of legal existence or status of Licensee, with a copy of all documents attesting to such change or legal succession, within thirty (30) days thereof.

16.4 Licensor expressly reserves the right to assign this Agreement, in whole or in part, to any grantee, lessee, or vendee of Licensor's underlying property interests in the Encroachment, upon written notice thereof to Licensee.

16.5 In the event of any unauthorized sale, transfer, assignment, sublicense or encumbrance of this Agreement, or any of the rights and privileges hereunder, Licensor, at its option, may revoke this Agreement by giving Licensee or any such assignee written notice of such revocation; and Licensee shall reimburse Licensor for any loss, cost or expense Licensor may incur as a result of Licensee's failure to obtain said consent.

**17. TITLE:**

17.1 Licensee understands that Licensor occupies, uses and possesses lands, rights-of-way and rail corridors under all forms and qualities of ownership rights or facts, from full fee simple absolute to bare occupation. Accordingly, nothing in this Agreement shall act as or be deemed to act as any warranty, guaranty or representation of the quality of Licensor's title for any particular Encroachment or segment of Rail Corridor occupied, used or enjoyed in any manner by Licensee under any rights created in this Agreement. It is expressly understood that Licensor does not warrant title to any Rail Corridor and Licensee will accept the grants and privileges contained herein, subject to all lawful outstanding existing liens, mortgages and superior rights in and to the Rail Corridor, and all leases, licenses and easements or other interests previously granted to others therein.

17.2 The term "license," as used herein, shall mean with regard to any portion of the Rail Corridor which is owned by Licensor in fee simple absolute, or where the applicable law of the State where the Encroachment is located otherwise permits Licensor to make such grants to Licensee, a "permission to use" the Rail Corridor, with dominion and control over such portion of the Rail Corridor remaining with Licensor, and no interest in or exclusive right to possess being otherwise granted to Licensee. With regard to any other portion of Rail Corridor occupied, used or controlled by Licensor under any other facts or rights, Licensor merely waives its exclusive right to occupy the Rail Corridor and grants no other rights whatsoever under this Agreement, such waiver continuing only so long as Licensor continues its own occupation, use or control. Licensor does not warrant or guarantee that the license granted hereunder provides Licensee with all of the rights necessary to occupy any portion of the Rail Corridor. Licensee further acknowledges that it does not have the right to occupy any portion of the Rail Corridor held by Licensor in less than fee simple absolute without also receiving the consent of the owner(s) of the fee simple absolute estate. Further, Licensee shall not obtain, exercise or claim any interest in the Rail Corridor that would impair Licensor's existing rights therein.

17.3 Licensee agrees it shall not have nor shall it make, and hereby completely and absolutely waives its right to, any claim against Licensor for damages on account of any deficiencies in title to the Rail Corridor in the event of failure or insufficiency of Licensor's title to any portion thereof arising from Licensee's use or occupancy thereof.

17.4 Licensee agrees to fully and completely indemnify and defend all claims or litigation for slander of title, overburden of easement, or similar claims arising out of or based upon the Facilities placement, or the presence of the Facilities in, on or along any Encroachment(s), including claims for punitive or special damages.

17.5 Licensee shall not at any time own or claim any right, title or interest in or to Licensor's property occupied by the Encroachments, nor shall the exercise of this Agreement for any length of time give rise to any right, title or interest in Licensee to said property other than the license herein created.

17.6 Nothing in this Agreement shall be deemed to give, and Licensor hereby expressly waives, any claim of ownership in and to any part of the Facilities.

17.7 Licensee shall not create or permit any mortgage, pledge, security, interest, lien or encumbrances, including without limitation, tax liens and liens or encumbrances with respect to work performed or equipment furnished in connection with the construction, installation, repair, maintenance or operation of the Facilities in or on any portion of the Encroachment (collectively, "Liens or Encumbrances"), to be established or remain against the Encroachment or any portion thereof or any other Licensor property.

17.8 In the event that any property of Licensor becomes subject to such Liens or Encumbrances, Licensee agrees to pay, discharge or remove the same promptly upon Licensee's receipt of notice that such Liens or Encumbrances have been filed or docketed against the Encroachment or any other property of Licensor; however, Licensee reserves the right to challenge, at its sole expense, the validity and/or enforceability of any such Liens or Encumbrances.

## 18. GENERAL PROVISIONS:

18.1 This Agreement, and the attached specifications, contains the entire understanding between the parties hereto.

18.2 Neither this Agreement, any provision hereof, nor any agreement or provision included herein by reference, shall operate or be construed as being for the benefit of any third person.

18.3 Except as otherwise provided herein, or in any Rider attached hereto, neither the form of this Agreement, nor any language herein, shall be interpreted or construed in favor of or against either party hereto as the sole drafter thereof.

18.4 This Agreement is executed under current interpretation of applicable Federal, State, County, Municipal or other local statute, ordinance or law(s). However, each separate division (paragraph, clause, item, term, condition, covenant or agreement) herein shall have independent and severable status for the determination of legality, so that if any separate division is determined to be void or unenforceable for any reason, such determination shall have

no effect upon the validity or enforceability of each other separate division, or any combination thereof.

18.5 This Agreement shall be construed and governed by the laws of the state in which the Facilities and Encroachment are located.

18.6 If any amount due pursuant to the terms of this Agreement is not paid by the due date, it will be subject to Licensor's standard late charge and will also accrue interest at eighteen percent (18%) per annum, unless limited by local law, and then at the highest rate so permitted.

18.7 Licensee agrees to reimburse Licensor for all reasonable costs (including attorney's fees) incurred by Licensor for collecting any amount due under the Agreement.

18.8 The provisions of this License are considered confidential and may not be disclosed to a third party without the consent of the other party(s), except: (a) as required by statute, regulation or court order, (b) to a parent, affiliate or subsidiary company, (c) to an auditing firm or legal counsel that are agreeable to the confidentiality provisions, or (d) to Lessees of Licensor's land and/or track who are affected by the terms and conditions of this Agreement and will maintain the confidentiality of this Agreement.

18.9 Licensor shall refund to Licensee any overpayments collected, plus any taxes paid in advance; PROVIDED, however, such refund shall not be made when the cumulative total involved is less than One Hundred Dollars (\$100.00).

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate (each of which shall constitute an original) as of the effective date of this Agreement.

**Witness for Licensor:**

Mike P

**CSX TRANSPORTATION, INC.**

By: David E. Elder

Print/Type Name: David E. Elder  
Director

Print/Type Title: \_\_\_\_\_

**Witness for Licensee:**

Susan J Knopp

**CITY OF WILLIAMSTOWN**

By: Jean Ford Mayor

Who, by the execution hereof, affirms that he/she has the authority to do so and to bind the Licensee to the terms and conditions of this Agreement.

Print/Type Name: Jean Ford

Print/Type Title: Mayor

Tax ID No.: 55-5000276

Authority under Ordinance or

Resolution No. 167

Dated 12/04/12



Print Form
Reset Form

Mail To: CSX Transportation, Inc.  
 ATTN: Corridor Occupancy Services  
 500 Water Street, J-180  
 Jacksonville, FL 32202

FORM CSXT #A01 03/30/09

Page 1 of 2

Submittal Must Include Drawing(s) and Review Fee(s)

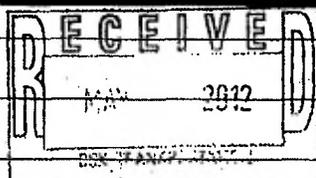
## APPLICATION FOR FACILITY/UTILITY INSTALLATIONS

Application Date: Apr 20, 2012

CSXT File/Agreement Number: 7066661

### SECTION 1: FACILITY OWNER INFORMATION TO BE COMPLETED BY APPLICANT

<b>Owner/Legal Company Identification (required)</b>			
Owner's Complete Legal Company Name:	City of Williamstown		
Legal Address (1):	100 West Fifth Street		
Legal Address (2):			
City:	Williamstown	State:	WV
		Zip:	26187
Business Type:	<input type="checkbox"/> Corporation <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Municipality <input type="checkbox"/> Limited Liability Partnership <input type="checkbox"/> General Partnership		
State of Incorporation:	Other Business Type - Describe:		
<b>Billing Address</b>			
<input checked="" type="checkbox"/> (Check box if same as above); if not, please complete below.			
Billing Address (1):			
Billing Address (2):			
City:		State:	
		Zip:	
<b>Owner Contact Information</b>			
Contact Name:	Bob Kimble	Contact Title:	Public Works Director
Office Phone:	304-375-6128	Ext.:	
		Mobile Phone:	
Email:	williamstownwater@hotmail.com	Emergency Phone:	



### SECTION 2: PROJECT CONTACT INFORMATION TO BE COMPLETED BY APPLICANT

<input checked="" type="checkbox"/> Check here if address is the same as legal address above.			
<input type="checkbox"/> If not the same as above, check here if agreement should be mailed to this address.			
<b>Project Engineer/Consultant/Agent Information</b>			
Engineer/Consultant/Agent Company Name:	Boyles & Hildreth Consulting Engineers		
Contact Name:	Andrew Corkrean	<b>Exhibit "A"</b> Sheet <u>1</u> of <u>2</u> CSXT File No. <u>7066661</u>	
Mailing Address:	108 Court Street		
City:	Spencer	State:	WV
		Zip:	25276
Office Phone:	304-927-4574	Mobile Phone:	304-377-1962
Email:	boyleshildreth@citynet.net		

# LEGEND

- EXISTING WATERLINE
- EXISTING SANITARY SEWER
- EXISTING STORM DRAIN
- EXISTING BURIED TELEPHONE
- EXISTING BURIED FIBER OPTIC CABLE
- EXISTING GAS LINE
- EXISTING UNDERGROUND ELECTRIC
- EXISTING CHAIN-LINK FENCE
- EXIST. UTILITY POLE
- EXIST. UTILITY GUY
- EXIST. WATER METER
- EXIST. CLEAN OUT
- EXIST. MAN-HOLE
- EXIST. DRAIN INLET
- EXIST. TELEPHONE RISER
- EXIST. GAS METER
- EXIST. GAS LINE MARKER
- EXIST. GATE VALVE
- ⊕ U.S.C.S. BENCHMARK

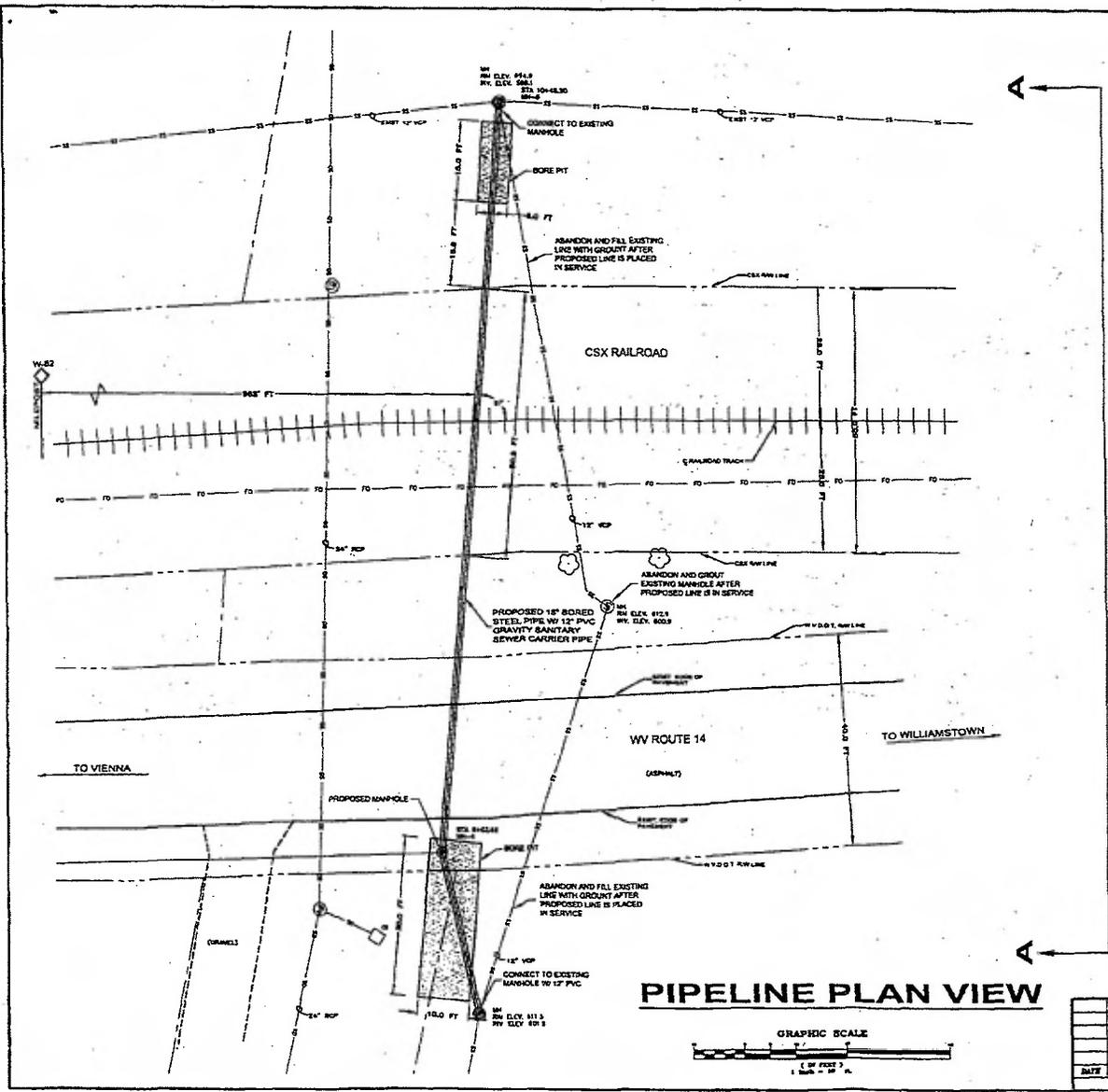


Exhibit "B"  
Sheet 1 of 2  
CSXT File No. 7066d1

CSX Estate Engineering  
Engineer Design Approved  
By: [Signature]  
Date: 7-16-12

**BI** BYILES and KIDWELL, consulting engineers  
Spencer, WV Ripley, WV

DESIGNED BY AJC	DRAWN BY AJC	CHECKED BY JSH	APPROVED BY JSH
PROJECT WILLIAMSTOWN, WV			
LOCATION N 39°24'09.39"			
LOCATION W 81°27'38.74"			
SCALE 1" = 2'			
DATE 4/20/2012 LAST REVISED 4/20/2012			
SCALE 1" = 10'			

DATE	NO.	DESCRIPTION	BY	CHECKED	APPROVED
REVISIONS					

PERMIT NO. 03-2014-0336

PERMIT TO ENTER UPON, UNDER, OVER OR ACROSS THE STATE ROADS OF THE STATE OF WEST VIRGINIA, AS PROVIDED FOR IN SECTION 6, ARTICLE 16, CHAPTER 17; SECTION 9, ARTICLE 16, CHAPTER 17; SECTION 8, ARTICLE 4, CHAPTER 17, WEST VIRGINIA CODE, 1931, AS AMENDED.

THIS PERMIT, Made this 22nd day of May 20 14, between the WEST VIRGINIA DEPARTMENT OF TRANSPORTATION, DIVISION OF HIGHWAYS, a statutory corporation hereinafter called DIVISION and City of Williamstown  
Address: 100 West Fifth Street, Williamstown, WV 26187 Phone No: (304) 375-6128  
hereinafter called APPLICANT.

WITNESSETH

In consideration of the hereinafter set out covenants and in accordance with Section 6, Article 16, Chapter 17; or Section 9, Article 16, Chapter 17; or Section 8, Article 4, Chapter 17, of the Official Code of West Virginia, 1931, as amended, and the rules and regulations promulgated thereunder, APPLICANT does hereby apply to enter

Route Type & No. WV 14 DOH Project No. \_\_\_\_\_ (if applicable);  
at Poplar Avenue Mile Post N/A  
in Wood County, for the purposes hereinafter set forth and in accordance with the plans and specifications which are attached hereto and made a part hereof: installation of approximately 950 l.f. of 8" gravity sewer with necessary appurtenances

APPLICANT further agrees to accept the conditions hereinafter set forth:

- APPLICANT shall deposit with DIVISION the sum of \$ \_\_\_\_\_ in the form of an official, certified or cashier's check, or executed bond with surety satisfactory to DIVISION to cover any damage and inspection costs DIVISION may sustain by reason of the granting of this permit, including any expense incurred in restoring said highway to its original condition or the proper repair of any and all damages that may result within one (1) year from the date of the completion of said work.
- APPLICANT agrees to reimburse DIVISION for inspection costs as follows:
  - A. For any inspection costs incurred under this permit
  - B. At \$ 0.43 per linear foot for \_\_\_\_\_ feet of water line installed under this permit
  - C. At \$ 0.80 per linear foot for 950 feet of sewer line installed under this permit
- APPLICANT shall notify DIVISION at least 48 hours in advance of the date the work will begin. Failure to comply will be cause for cancellation of this permit.
- APPLICANT agrees to protect its employees, equipment and users of the highway at all times in accordance with the current Division of Highways manual "Traffic Control For Street and Highway Construction and Maintenance Operations".
- APPLICANT agrees to comply with all applicable state and federal laws in the performance of work under this permit.
- Supplementary conditions cited on the reverse side of this permit are understood and agreed to be a part hereof.
- The work authorized under this permit shall be completed on or before (Date): December 31, 2015

RECOMMENDED:  
Shacko I. Henderson  
Title Utilities Supervisor

David E. Brabham, Agent  
Signature and Title Title of Applicant

BOND REQUIREMENT  
BOND NO. \_\_\_\_\_ DATE \_\_\_\_\_  
Attached  On File   
INSPECTION: Owner/Consultant   
Full Time  Part Time   
Periodic  Reimbursable  No Cost

APPROVED:  
**DAVID E. BRABHAM**  
**DISTRICT MAINTENANCE ENGINEER**  
West Virginia Division of Highways

CHAPTER 17 WEST VIRGINIA CODE, 1931

**§17-4-8. Use of roadbed by railroad, telephone company, etc.**

No railroad or electric or other railway shall be constructed upon the roadbed of any state road, except to cross the same, nor shall any person, firm or corporation enter upon or construct any works in or upon such road, or lay or maintain thereon or thereunder any drainage, sewer or water pipes, gas pipes, electric conduits or other pipes, nor shall any telephone, telegraph or electric line or power pole, or any other structure whatsoever, be erected upon, in or over any portion of a state road, except under such restrictions, conditions and regulations as may be prescribed by the state road commissioner. Whenever any railroad or electric or other railway, heretofore or hereafter constructed, shall cross any state road, it shall be required to keep its own roadbed, and the bed of the road or highway at such crossing, in proper repair, or else to construct and maintain an overhead or undergrade crossing, subject to the approval of the state road commissioner; and the tracks of such railroad or railway at grade crossings shall be so constructed as to give a safe and easy approach to and across the same, and when the construction of such approaches is made necessary by a change in the railroad grade at the grade crossing, the cost shall be upon the railway company.

**§17-16-6. Permit by commission or county court for openings in or structures on public roads; franchises and easements of oil, etc., transportation companies.**

No opening shall be made in any state or county-district road or highway, nor shall any structure be placed therein or thereover, nor shall any structure, which has been so placed, be changed or removed, except in accordance with a permit from the state road commission or county court, as the case may be. No road or highway shall be dug up for laying or placing pipes, sewers, poles or wires, or for other purposes, and no trees shall be planted or removed or obstructions placed thereon, without the written permit of the commission or county court, or its duly authorized agent, and then only in accordance with the regulations of the commission or court. The work shall be done under the supervision and to the satisfaction of the commission or court; and the entire expense of replacing the highway in as good condition as before shall be paid by the persons to whom the permit was given, or by whom the work was done: **Provided, however,** That nothing herein contained shall be so construed as to prevent any oil or gas company or person having a proper permit or franchise from transporting oil or gasoline along any of the public highways of this State, nor to give such company a franchise without paying to the landowners through whose lands such road passes the usual and customary compensation paid or to be paid to the landowners for such right of way. Any grant or franchise when made shall be construed to give to such company or person only the right to use the easement in such public road.

A violation of any provision of this section shall be a misdemeanor, and the person or corporation violating the same shall, upon conviction thereof, be fined not less than twenty-five nor more than one hundred dollars for each offense.

**§17-16-9. Private driveways or approaches to roads; obstruction of ditches.**

The owner or tenant of land fronting on any state road shall construct and keep in repair all approaches or driveways to and from the same, under the direction of the state road commission, and, likewise, the owner or tenant of land fronting on any county-district road shall construct and keep in repair approaches or driveways to and from the same, under the direction of the county road engineer, and it shall be unlawful for such owner or tenant to fill up any ditch, or place any material of any kind or character in any ditch, so as in any manner to obstruct or interfere with the purposes for which it was made.

SUPPLEMENTARY CONDITIONS

1. The person, firm or corporation to whom a permit is issued agrees to hold the State of West Virginia and DIVISION harmless on account of any damages to persons or property which may arise during the process of the work authorized by this permit or by reason thereof.
2. Applications for permission to perform work within highway rights of way shall be made on DIVISION'S standard permit form and shall be signed by the authorized representative of the person, firm or corporation applying.
3. The APPLICANT shall give detailed information concerning the work to be performed and the application must include a sketch sufficient to show the nature of the work performed.
4. APPLICANT, his agents, successor, heirs or assigns, contractors or any other person, firm or corporation working under APPLICANT'S real or apparent authority, shall perform the work in a manner satisfactory to DIVISION. Damage to the road resulting at any time from work authorized under this permit shall be repaired by APPLICANT. Unsatisfactory repairs may be corrected by DIVISION or its authorized agent and the cost thereof paid by APPLICANT.
5. DIVISION assumes no liability for damage to the proposed work by reason of construction or maintenance work on the road.
6. This permit is granted subject to removal of the authorized installation by APPLICANT at no cost to DIVISION when required for improvement of the road, and subject to all regulations now or hereafter adopted by DIVISION.
7. Utility installation shall be in accordance with the current manual, "Accommodation of Utilities on Highway Right of Way".
8. Driveways shall be in accordance with the current manual, "Rules and Regulations for Constructing Driveways on State Highway Rights-of-Way."
9. DIVISION reserves the right to cancel this permit at any time, should APPLICANT fail to comply with the terms and conditions under which it is granted.
10. This permit is granted only insofar as the DIVISION has a right to do so



# CERTIFICATE OF LIABILITY INSURANCE

WILL-15

OP ID: SS

DATE (MM/DD/YYYY)

09/18/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Commercial Insurance Services 340 MacCorkle Ave. Ste #200 Charleston, WV 25314 Brent J. Burton	<b>CONTACT NAME:</b> Brent J. Burton
	<b>PHONE (A/C, No, Ext):</b> 304-345-8000
	<b>FAX (A/C, No):</b> 304-345-8014
	<b>E-MAIL ADDRESS:</b>
	<b>INSURER(S) AFFORDING COVERAGE</b>
	<b>NAIC #</b>
<b>INSURED</b> City of Williamstown 100 W. 5th Street Williamstown, WV 26187-1523	<b>INSURER A:</b> Atlantic Specialty Insurance
	<b>INSURER B:</b>
	<b>INSURER C:</b>
	<b>INSURER D:</b>
	<b>INSURER E:</b>
	<b>INSURER F:</b>

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> LE/PO/EPLI/Fire E GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			791-000-457-0004	10/01/2015	10/01/2016	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ N/A PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 5,000,000 PRODUCTS - COMP/OP AGG \$ 5,000,000 Emp Ben. \$ 1,000,000
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			791-000-457-0004	10/01/2015	10/01/2016	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 0			791-000-457-0004	10/01/2015	10/01/2016	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000 \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Certificate holder is named as an additional insured as respects improvements at Wastewater Treatment Plant.

**CERTIFICATE HOLDER****CANCELLATION**

WVWCHA3

WV Water Development  
 Authority  
 1009 Bullitt Street  
 Charleston, WV 25301

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

THE CITY OF WILLIAMSTOWN, WEST VIRGINIA

Waterworks Refunding  
Revenue Bonds, Series 1987,

Sewerage System Refunding  
Revenue Bonds, Series 1987

BOND ORDINANCE

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ORDINANCE NO.

AN ORDINANCE AUTHORIZING THE REFUNDING OF THE WATER AND SEWER REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 1955, OF THE CITY OF WILLIAMSTOWN, WEST VIRGINIA THROUGH THE ISSUANCE BY THE CITY OF WILLIAMSTOWN, WEST VIRGINIA OF WATERWORKS REFUNDING REVENUE BONDS, SERIES 1987, IN AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$59,000 AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1987, IN AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$59,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH WATERWORKS REFUNDING REVENUE BONDS AND SUCH SEWERAGE SYSTEM REFUNDING REVENUE BONDS; PROVIDING FOR THE SEVERING OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF WILLIAMSTOWN INTO A SEPARATE WATERWORKS SYSTEM OF THE CITY OF WILLIAMSTOWN AND A SEPARATE SEWERAGE SYSTEM OF THE CITY OF WILLIAMSTOWN; CONTINUING THE SANITARY BOARD AND ENACTING OTHER PROVISIONS RELATING THERETO.

THE COUNCIL OF THE CITY OF WILLIAMSTOWN HEREBY ORDAINS:

ARTICLE I

DEFINITIONS: STATUTORY AUTHORITY; FINDINGS

Section 1.01. Definitions. The following terms shall have the following meanings in this Ordinance unless the context expressly requires otherwise:

"Act" means Chapter 13, Article 2E of the Code of West Virginia of 1931, as amended, and in effect on the date of enactment of this Ordinance.

"Authorized Officer" means the Mayor or the Acting Mayor of the City.

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

"Bonds" means the Waterworks Bonds and the Sewerage System Bonds.

"Certificate of Authentication" means the certificate of authentication and registration on the Bonds, in substantially the form set forth in Exhibit A hereto with

respect to the Waterworks Bonds and in substantially the form set forth in Exhibit B hereto with respect to the Sewerage System Bonds.

"City" means The City of Williamstown, a municipal corporation of the State of West Virginia, and, where appropriate, the Council, or any successor to either thereof; and "City" also means and includes, as appropriate, the Sanitary Board created by Article IV hereof.

"Code" means the Internal Revenue Code of 1986, as amended, and references to the Code and Sections of the Code shall include relevant regulations thereunder and any successor provisions to such Sections or regulations.

"Combined Act" means Chapter 8, Article 20 of the Code of West Virginia of 1931, as amended, and in effect on the date of enactment of this Ordinance.

"Combined Gross Revenues" or "Combined Revenues" means the aggregate gross operating and non-operating revenues of the Combined System, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Combined Gross Revenues" or "Combined 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) or any fees paid by customers of the Combined System initially to connect therewith.

"Combined System" means the complete existing combined waterworks and sewerage system now owned by the City, in its entirety or any part thereof, both within and without the City.

"Consulting Engineers" means any qualified engineer or firm of engineers that at any time may be retained by the City as consulting engineers for the Waterworks System or the Sewerage System.

"Cost of Issuance Fund" means The City of Williamstown Cost of Issuance Fund created by Section 3.01 hereof.

"Costs" or similar terms means all those costs now or hereafter permitted by the Act or by the Water Act or by the Sewer Act or by the Combined Act to be financed with bonds issued pursuant thereto, including without limitation, the aggregate principal amount of the Series 1955 Bonds being refunded, interest accrued or to accrue thereon, redemption premiums, and any costs and expenses of issuing the Series 1987 Bonds or of refunding the Series 1955 Bonds.

"Council" means the Council of the City or any other governing body of the City that succeeds to the functions thereof.

"Depository Bank" means any one or more state banking corporations or national banking associations, eligible under the laws of the State to receive deposits of state and municipal funds, insured by the FDIC, and designated by the Sanitary Board or the City as custodian of any one or more of the funds established by Article III hereof.

"Escrow Agreement" means an agreement among the City, the Bond Commission and an escrow agent to be appointed by Supplemental Resolution, providing for payment of the Series 1955 Bonds being refunded hereunder, in substantially such form as may be approved by Supplemental Resolution.

"Event of Default" means any event specified in Section 7.01 hereof.

"FDIC" means the Federal Deposit Insurance Corporation or any successor to the functions thereof.

"Fiscal Year" means the twelve-month periods ending June 30, or such other periods as may become the fiscal year of the Sanitary Board.

"Government Obligations" means (i) direct obligations of the United States of America, (ii) obligations unconditionally guaranteed by the United States of America and (iii) securities which represent an interest in direct obligations of the United States of America (including obligations to pay principal or interest) in an amount sufficient to pay when due the face amount of such securities and interest thereon.

"Holder" or "Bondholder" or any similar term means any person who shall be the registered owner of any Outstanding Bond.

"Independent Accountants" when used with respect to the Waterworks System means Harman, Thompson & Mallory, Certified Public Accountants, or any other certified public accountant or firm of certified public accountants licensed to practice in the State and hereafter retained by the City to prepare an independent annual or special audit of the accounts of the Waterworks System or for any purpose except keeping the accounts of the Waterworks System in the normal operations of its business and affairs; and "Independent Accountants" when used with respect to the Sewerage System means Harman, Thompson & Mallory, Certified Public Accountants, or any other certified public accountant or firm of certified public accountants

licensed to practice in the State and hereafter retained by the Sanitary Board to prepare an independent annual or special audit of the accounts of the Sewerage System or for any purpose except keeping the accounts of the Sewerage System in the normal operations of its business and affairs;

"Ordinance," regardless of whether preceded by the article "the" or "this," means this Ordinance, as it may be amended or supplemented hereafter from time to time.

"Original Purchaser" means Williamstown National Bank as the purchaser of the Series 1987 Bonds from the City; provided, that such bank and the City shall agree to the purchase of the Series 1987 Bonds, including the exact principal amount and interest rates thereof as fixed by the Supplemental Resolution with the sale price thereof to be not less than a price which will be within the limitations set forth in the Act. In the event the City and said purchaser do not agree upon the sale of the Series 1987 Bonds to said purchaser, and with respect to subsequent series of Bonds, "Original Purchaser" shall mean the person, firm or corporation to whom the City sells such Bonds, at a sale price within the limits set forth in the Act or in the Water Act or in the Sewer Act, as applicable, pursuant to a Supplemental Resolution.

"Outstanding," means all Bonds issued and delivered as of any date, except (a) any Bond cancelled by the Registrar at or prior to said date; (b) any Bond for the payment of which moneys or Government Obligations equal to the principal amount thereof plus the premium payable thereon, if any, and the interest thereon accrued or to accrue to the date of maturity or prior redemption shall be set aside, whether at or prior to such maturity or prior redemption, held under this Ordinance for such payment; (c) any Bond deemed to have been paid pursuant to Section 9.01 hereof; and (d) with respect to determining the percentage of the principal amount of Bonds required for consents, notices and the like, any Bond registered to the City.

"Paying Agent" means the Registrar and any alternate or successor paying agent or co-paying agent for the Bonds appointed by Supplemental Resolution hereto.

"Prior Ordinance" means the Ordinance enacted by the City on October 18, 1955 authorizing issuance of the Series 1955 Bonds.

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

- A. Government Obligations;

B. 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 Federal National Mortgage Association (but only to the extent such obligations are guaranteed by the Government National Mortgage Association); or the Government National Mortgage Association;

C. Public housing bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; temporary notes, preliminary loan notes or project notes issued by public agencies or municipalities, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

D. Certificates of deposit or other similar banking arrangements permitted by law, with a member bank or member banks of the Federal Reserve System or banks the deposits of which are insured by the FDIC, upon the terms and conditions as follows:

(i) all moneys invested in each such interest-bearing time deposit, certificate of deposit or similar banking arrangement shall be continuously and fully secured by obligations of the types described in clauses A, B and C above of a market value equal at all times to the amount of the deposit, certificate or similar banking arrangement; and

(ii) each such interest-bearing time deposit, certificate of deposit or similar banking arrangement shall permit the moneys so placed to be available for use at the times provided with respect to the investment or reinvestment of such moneys;

E. Direct and general obligations of the State or any other state within the territorial United States, to the payment of the principal of and interest on which the full faith and credit of such state is pledged; provided, that, at the time of their purchase, such obligations are rated in either of the two highest rating categories by a nationally recognized bond rating agency;

F. The "consolidated fund" (or any distinct portion thereof) managed by the West Virginia State Board of Investments pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended, provided that investments by such fund (or portion thereof) on behalf of the City may only be in Qualified Investments other than those described in this paragraph F;

G. Repurchase agreements relating to any securities of the type described in clauses A or C above with any banking institution or association, including the Depository Bank, or any other financial institution, provided that the Depository Bank or the Bond Commission, as the case may be, or its agent have possession of the collateral, and that such collateral be free of claims of third parties.

"Record Date" means the fifteenth day of the month preceding any interest payment date with respect to the Bonds if such interest payment date is the first day of a month, or the first day of the month preceding any interest payment date if such interest payment date is the fifteenth day of that month, or in the event of a default in the payment of Bonds, that special record date to be fixed by the Registrar by notice given to the Holders not less than 10 days prior to said special record date.

"Register" means the books kept by the Registrar for the registration and transfer of Bonds.

"Registrar" means the registrar for the Bonds appointed by Supplemental Resolution.

"Sanitary Board" means the Sanitary Board of the City, a municipal agency created by Ordinance of the City adopted June 3, 1958, contained in Chapter 19, Article IV of the Code of the City, and continued by Article IV hereof pursuant to the Sewer Act and having the powers and duties therein specified.

"Series 1987 Bonds" means the City's Waterworks Refunding Revenue Bonds, Series 1987 and the City's Sewerage System Refunding Revenue Bonds, Series 1987, authorized to be issued pursuant to this Ordinance.

"Series 1955 Bonds" means the City's Water and Sewer Revenue Refunding and Improvement Bonds, Series 1955, dated December 1, 1955 upon original issuance and issued in aggregate principal amount of \$320,000 pursuant to an ordinance enacted by the Council of the City on October 18, 1955.

"Series 1987 Waterworks Refunding Bonds" means the City's Waterworks Refunding Revenue Bonds, Series 1987, authorized to be issued pursuant to this Ordinance.

"Series 1987 Sewerage System Refunding Bonds" means the City's Sewerage System Refunding Revenue Bonds, Series 1987, authorized to be issued pursuant to this Ordinance.

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

"Sewerage System" means the complete existing sewerage system now owned by the City and established pursuant to Article IV of this Ordinance, in its entirety or any part thereof, both within and without the City and any extensions, improvements and betterments thereto hereafter constructed or acquired for said system from any sources whatsoever.

"Sewerage System Bondholder" means any person who shall be the registered owner of any Outstanding Sewerage System Bond.

"Sewerage System Bonds" means the Series 1987 Sewerage System Refunding Bonds and any additional parity Sewerage System Bonds hereafter issued within the terms, restrictions and conditions of this Ordinance.

"Sewerage System Depreciation Fund" means The City of Williamstown Sewerage System Depreciation Fund created by Section 3.01 hereof.

"Sewerage System Gross Revenues" or "Sewerage System Revenues" means the aggregate gross operating and non-operating revenues of the Sewerage System, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Sewerage System Gross Revenues" or "Sewerage System 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) or any fees paid by customers of the Sewerage System initially to connect therewith.

"Sewerage System Net Revenues" means Sewerage System Gross Revenues less Sewerage System Operating Expenses.

"Sewerage System Operating Expenses," unless qualified, means the current expenses, paid or accrued, of operation, repair and maintenance of the Sewerage System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, supplies, labor, wages, the cost of materials and supplies used for current operations, fees and expenses of fiscal agents and of the Registrar and any other Paying Agent, 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 "Sewerage System Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Sewerage System 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.

"Sewerage System Operation and Maintenance Fund" means The City of Williamstown Sewerage System Operation and Maintenance Fund created by Section 3.01 hereof.

"Sewerage System Reserve Account" means The City of Williamstown Sewerage System Bonds Reserve Account created in the Sewerage System Sinking Fund by Section 3.02 hereof.

"Sewerage System Reserve Account Requirement" means the average amount of principal and interest which will come due on the Sewerage System Bonds in the then current or any succeeding Fiscal Year.

"Sewerage System Revenue Fund" means The City of Williamstown Sewerage System Revenue Fund created by Section 3.01 hereof.

"Sewerage System Sinking Fund" means The City of Williamstown Sewerage System Bonds Sinking Fund created by Section 3.02 hereof.

"State" means the State of West Virginia.

"Supplemental Resolution" means any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to any Supplemental Resolutions authorizing the sale of the Series 1987 Bonds to the Original Purchaser and setting forth other matters pertaining thereto.

"Water Act" means Chapter 8, Article 19 of the Code of West Virginia of 1931, as amended, and in effect on the date of enactment of this Ordinance.

"Waterworks Bondholder" means any person who shall be the registered owner of any Outstanding Waterworks Bond.

"Waterworks Bonds" means the Series 1987 Waterworks Refunding Bonds and any additional parity Waterworks Bonds hereafter issued within the terms, restrictions and conditions of this Ordinance.

"Waterworks Depreciation Fund" means The City of Williamstown Waterworks Depreciation Fund created by Section 3.01 hereof.

"Waterworks Gross Revenues" or "Waterworks Revenues" means the aggregate gross operating and non-operating revenues of the Waterworks System, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for

uncollectible accounts; provided, that "Waterworks Gross Revenues" or "Waterworks 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) or any fees paid by customers of the Waterworks System initially to connect therewith.

"Waterworks Net Revenues" means Waterworks Gross Revenues less Waterworks Operating Expenses.

"Waterworks Operating Expenses," unless qualified, means the current expenses, paid or accrued, of operation, repair and maintenance of the Waterworks System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, supplies, labor, wages, the cost of materials and supplies used for current operations, fees and expenses of fiscal agents and of the Registrar and any other Paying Agent, 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 "Waterworks Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Waterworks 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.

"Waterworks Operation and Maintenance Fund" means The City of Williamstown Waterworks Operation and Maintenance Fund created by Section 3.01 hereof.

"Waterworks Reserve Account" means The City of Williamstown Waterworks Bonds Reserve Account created in the Waterworks Sinking Fund by Section 3.02 hereof.

"Waterworks Reserve Account Requirement" means the maximum amount of principal and interest which will come due on the Waterworks Bonds in the then current or any succeeding Fiscal Year.

"Waterworks Revenue Fund" means The City of Williamstown Waterworks Revenue Fund created by Section 3.01 hereof.

"Waterworks Sinking Fund" means The City of Williamstown Waterworks Bonds Sinking Fund created by Section 3.02 hereof.

"Waterworks System" means the complete existing waterworks now owned by the City and established pursuant to Article IV of this Ordinance, in its entirety or any part thereof, both within and without the City and any extensions, improvements and betterments thereto hereafter constructed or acquired for said waterworks from any sources whatsoever.

Words importing the singular number shall include the plural number and vice versa; words importing persons shall include firms and corporations and vice versa; and words importing the masculine gender shall include the feminine and neuter genders and vice versa.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to the Ordinance, and the term "hereafter" refers to the period following enactment of the Ordinance.

Additional terms and phrases are defined in the Ordinance as they are used. Accounting terms not specifically defined herein shall be ascribed those meanings according with generally accepted accounting principles.

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

Section 1.02. Authority for the Ordinance. The Ordinance is enacted pursuant to the provisions of the Act, the Sewer Act, the Water Act, the Combined Act and the Charter of the City and other applicable provisions of law.

Section 1.03. Findings. The Council hereby finds and determines as follows:

A. The City now owns a combined waterworks and sewerage system established by the Prior Ordinance.

B. The Prior Ordinance contains certain provisions which impose unnecessary and costly restrictions, conditions, and limitations upon the City, in that the Prior Ordinance makes it impossible to pledge water revenues and sewer revenues separately, in that the prior Ordinance requires unnecessarily costly debt service coverage as a prerequisite to the issuance of parity bonds; and in that the Prior Ordinance requires the accumulation of a depreciation fund beyond the reasonable requirement of the City.

C. The present sewage treatment facilities of the City are inadequate and the existing sewage treatment plant cannot meet State and Federal regulatory requirements for secondary sewage treatment.

D. In order to improve its sewage treatment facilities so as to meet Federal and State regulatory requirements at the lowest possible cost it is necessary for the City to enter into a loan agreement with the West Virginia Water Development Authority and to issue its Sewerage System Revenue Bonds to be purchased by the Water Development Authority.

E. The execution of such a loan agreement with the Water Development Authority, and the issuance of such Sewerage System Revenue Bonds cannot be accomplished so long as the City continues to have the Combined System.

F. It is in the best and public interests of the City and the inhabitants thereof and the users of the Combined System that the City sever the Combined System into a separate Waterworks System and a separate Sewerage System, so that necessary and desirable waterworks and sewage system improvements can be separately financed.

G. It is in the best and public interests of the City and the inhabitants thereof and the users of the Sewerage System and the Waterworks System of the City that the City issue its Series 1987 Bonds for the purpose of refunding its Series 1955 Bonds, so as to effect the termination of the restrictions, conditions, and limitations continued therein.

H. The Waterworks Gross Revenues estimated to be derived in each year hereafter will be sufficient to pay the expenses of operation, repair, replacements and maintenance of the Waterworks System; to set aside in the Waterworks Sinking Fund an amount sufficient to pay the interest upon the Waterworks Refunding Bonds as such interest becomes due and payable, the fiscal agency charges for paying the Waterworks Refunding Bonds and the interest thereon, and the principal of the Waterworks Refunding Bonds as and when the same becomes due; to maintain reasonable reserves therefor; to provide an adequate Waterworks Depreciation Fund and to make all other payments provided for in this Ordinance.

I. The Sewerage System Gross Revenues estimated to be derived in each year hereafter will be sufficient to pay the expenses of operation, repair, replacements and maintenance of the Sewerage System; to set aside in the Sewerage System Sinking Fund an amount sufficient to pay the interest upon the Sewerage System Refunding Bonds as such interest becomes due and payable, the fiscal agency charges for paying the Sewerage System Refunding Bonds and the interest thereon, and the principal of the Sewerage System Refunding Bonds as and when the same becomes due; to maintain reasonable reserves therefor; to provide an adequate Sewerage System Depreciation Fund and to make all other payments provided for in this Ordinance.

J. The Series 1987 Bonds are issued pursuant to the Act.

K. All permits, licenses and other authorizations presently required for the operation of the Waterworks System and the Sewerage System have been obtained.

L. It is in the best and public interests of the City and the inhabitants thereof and the users of the Waterworks System hereinafter established that the City issue the Series 1987 Waterworks Refunding Bonds and secure the Series 1987 Waterworks Refunding Bonds by a first pledge and assignment of the Waterworks Gross Revenues as hereinafter provided, all moneys in the Waterworks Sinking Fund, and moneys in the Waterworks Depreciation Fund (to the extent hereinafter provided) and the unexpended proceeds of the Series 1987 Waterworks Refunding Bonds.

M. It is in the best and public interests of the City and the inhabitants thereof and the users of the Sewerage System hereinafter established that the City issue the Series 1987 Sewerage System Refunding Bonds and secure the Series 1987 Sewerage System Refunding Bonds by a first pledge and assignment of the Sewerage System Net Revenues as hereinafter provided, all moneys in the Sewerage System Sinking Fund, and moneys in the Sewerage System Depreciation Fund (to the extent hereinafter provided) and the unexpended proceeds of the Series 1987 Sewerage System Refunding Bonds.

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Bonds by those who shall hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the City and the Bondholders. The covenants and agreements herein set forth to be performed by the City relating to the Waterworks shall be for the equal benefit, protection and security of the Holders of any and all of the Waterworks Bonds, which Waterworks Bonds shall be of equal rank and without preference, priority or distinction between any one Waterworks Bond and any other Waterworks Bond by reason of priority of issuance or otherwise. The covenants and agreements herein set forth to be performed by the City relating to the Sewerage System shall be for the equal benefit, protection and security of the Holders of any and all of the Sewerage System Bonds, which Sewerage System Bonds shall be of equal rank and without preference, priority or distinction between any one Sewerage System Bond and any other Sewerage System Bond by reason of priority of issuance or otherwise.

## ARTICLE II

### BONDS

Section 2.01. Form and Payment of Bonds. The Bonds shall be issued as fully registered Bonds without coupons, in denominations of \$500 and integral multiples thereof for any year of maturity. Any Bond issued prior to the first interest payment date of the series of which such Bond is a part shall be dated the date specified by Supplemental Resolution. Any Bond issued on or subsequent to the first interest payment date of the series of which such Bond is a part shall be dated as of the interest payment date next preceding the date of authentication thereof; unless such date of authentication is an interest payment date on which interest on said Bond shall have been paid in full or duly provided for, in which case said Bond shall be dated such date of authentication; or unless, as shown by the records of the Registrar, interest on such Bond shall be in default, in which case any Bond issued in exchange for a Bond surrendered for transfer or exchange shall be dated as of the date to which interest has been paid in full on the Bond surrendered. Interest on each Bond shall be payable from the date thereof.

The principal of, premium, if any, and interest on the Bonds shall be payable in any coin or currency which, on the date of payment, is legal tender for the payment of public and private debts under the laws of the United States of America. The principal of and premium, if any, on the Bonds shall be payable at the office of the Paying Agent. The interest on the Bonds shall be paid by check or draft made payable and mailed to the Holder thereof as of the Record Date at his address as it appears in the Register on the Record Date.

Interest on any Bond which is payable, but is not punctually paid or provided for, on any interest payment date ("Defaulted Interest") shall forthwith cease to be payable to the Holder as of the relevant regular Record Date, and such Defaulted Interest shall be paid to the Holder in whose name the Bond is registered at the close of business on a special Record Date to be fixed by the Registrar, such date to be not more than 15 nor less than 10 days (whether or not a business day) prior to the date of proposed payment. The Registrar shall cause notice of the proposed payment of Defaulted Interest and the special Record Date therefor to be mailed, first class postage prepaid, to each such Holder, at his address as it appears in the Register, not less than 10 days prior to such special Record Date.

In the event any Bond is redeemed in part, such Bond shall be surrendered to and cancelled by the Registrar, and the City shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Bond in the principal amount of said surrendered Bond then Outstanding.

Section 2.02. Execution of Bonds. The Bonds shall be executed in the name of the City by the manual signature of its Mayor, and the seal of the City shall be affixed thereto and attested by the City Clerk of the City by manual signature. In case any one or more of the persons who shall have signed or sealed any Bond shall cease to hold such office before such Bond so signed and sealed shall have been delivered, such Bond nevertheless may be delivered as herein provided and may be issued as if such person had not ceased to hold such office. Any Bond may be signed, sealed and attested on behalf of the City by such person as at the time of such actions shall hold the requisite office, regardless of whether such person shall have held such office on the date of such Bond.

Section 2.03. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit hereof unless and until the Certificate of Authentication on such Bond shall have been duly executed by the Registrar. Any Certificate of Authentication upon any Bond so executed shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication on any Bond shall be deemed to have been executed by the Registrar if signed by the manual signature of an authorized officer of the Registrar. It shall not be necessary that the same authorized officer sign the Certificate of Authentication on all of the Bonds or on all of the Bonds of any series.

Section 2.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder, in accepting any of the Bonds, shall be deemed conclusively to have agreed to the incontestability of the Bonds in the hands of a bona fide holder for value, subject to compliance by such holder with the registration provisions herein and therein provided.

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

A Bond shall be transferable only by transfer of registration upon the Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a

written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Bond, there shall be issued another Bond or Bonds (at the option of the transferee) of the same series, interest rate and maturity as said transferred Bond and of an aggregate principal amount equal to the unpaid principal amount of the transferred Bond.

In all cases in which the privilege of transferring or exchanging a Bond is exercised, Bonds shall be delivered in accordance with the provisions of this Ordinance. All Bonds surrendered in any such transfer or exchange shall be cancelled forthwith by the Registrar. Transfers of Bonds and exchanges of Bonds in the event of partial redemption shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For exchanges of Bonds, except in the event of partial redemption, the Registrar may impose a service charge payable by the City. For every transfer or exchange of Bonds, except upon partial redemption, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange. In the event of partial redemption of Bonds, the City shall pay such service charge, tax or other governmental charge. The Registrar shall not be obliged to make any such transfer or exchange of Bonds proposed to be redeemed after the selection of such Bonds to be redeemed.

Section 2.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the City may execute, and the Registrar shall authenticate, register and deliver, a new Bond of like series, maturity and principal amount as the Bond so mutilated, destroyed, stolen or lost, either in exchange for and upon surrender and cancellation of, such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, but only if the Holder shall furnish the City and the Registrar with proof of his ownership thereof and that said Bond has been destroyed, stolen or lost and shall comply with such other reasonable regulations and conditions as the City or the Registrar may stipulate. The name of the Holder listed in the Register shall constitute proof of ownership. All Bonds so surrendered shall be submitted to and cancelled by the Registrar, and evidence of such cancellation shall be given to the City. If any such Bond shall have matured or be about to mature, the City, by and through the Registrar, may pay the same without issuance of a substitute Bond therefor.

Section 2.06. Notice of Redemption. The Registrar shall give notice of any redemption of the Bonds to each Holder of Bonds to be redeemed in the name of the City by first class mail addressed to such Holder at his address appearing in the

Register, postage prepaid, not less than 30 days nor more than 60 days prior to the date fixed for redemption. Failure to receive such notice or any defect in the mailing thereof shall not affect the validity of any proceedings for the redemption of Bonds; and failure to mail such notice shall not affect the validity of any proceedings for the redemption of any Bond as to which no such failure occurred. Any such notice shall specify the series and maturities of Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all Bonds of any maturity within any series are to be redeemed, the letters and numbers of the Bonds to be redeemed. Notice of redemption having been given in the manner hereinabove provided, and moneys to pay the principal of, premium, if any, and interest on said Bonds having been deposited with the Bond Commission for payment thereof, on the date fixed for redemption the Bonds called for redemption shall be deemed paid, and interest thereon shall cease to accrue; and upon presentation and surrender of such Bonds at the office specified in such notice, such Bonds shall be paid at the designated redemption price.

Section 2.07. Persons Treated as Owners. The City, the Registrar and any agent of the City or the Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of the principal of and interest on such Bond, and for all other purposes, whether or not such Bond is overdue.

Section 2.08. Temporary Bonds. Until Bonds of any series are ready for delivery in definitive form, the City may execute and the Registrar shall authenticate, register and deliver, subject to the provisions, limitations and conditions set forth in this Article II, one or more printed, lithographed, or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the security of this Ordinance. Upon the request of a Holder of a Bond in temporary form, the City shall prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register and deliver in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 2.09. Series 1987 Bonds. For the purposes of refunding in advance the Series 1955 Bonds, of funding the Waterworks Reserve Account (subject to the provisions of Section 3.04C hereof), of funding the Sewerage System Reserve Account (subject to the provisions of Section 3.04C hereof) and of paying the Costs of issuing the Series 1987 Bonds and of

refunding the Series 1955 Bonds, there shall be issued the Series 1987 Waterworks Bonds in aggregate principal amount not to exceed \$59,000 and the Series 1987 Sewerage System Bonds in aggregate principal amount not to exceed \$59,000. For each maturity of the Series 1955 Bonds, there shall be issued Series 1987 Waterworks Bonds in an aggregate principal amount equal to one-half (1/2) of the aggregate principal amount of such maturity and Series 1987 Sewerage System Bonds in an aggregate principal amount equal to one-half (1/2) of the aggregate principal amount of such maturity. The Series 1987 Waterworks Bonds shall be designated "Waterworks Refunding Revenue Bonds, Series 1987" and shall be numbered consecutively upwards, preceded by such prefix as the Original Purchaser may advise. The Series 1987 Sewerage System Bonds shall be designated "Sewerage System Refunding Revenue Bonds, Series 1987" and shall be numbered consecutively upwards, preceded by such prefix as the Original Purchaser may advise. The Series 1987 Bonds shall recite that the Series 1987 Bonds are issued pursuant to the Act. The Series 1987 Bonds shall be dated such date upon original issuance; shall be issued in such aggregate principal amounts not exceeding \$59,000 of Series 1987 Waterworks Bonds and \$59,000 of Series 1987 Sewerage System Bonds; shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such redemption prior to maturity; and shall have such other terms, all as the City shall prescribe by the Supplemental Resolution.

Section 2.10. Form of Series 1987 Bonds. The Series 1987 Waterworks Refunding Bonds shall be issued in substantially the form set forth as Exhibit A hereto, with such appropriate variations, omissions and insertions as are permitted or required by this Ordinance or the Supplemental Resolution and are deemed necessary or advisable by the Registrar and the City. The Series 1987 Sewerage System Refunding Bonds shall be issued in substantially the form set forth as Exhibit B hereto, with such appropriate variations, omissions and insertions as are permitted or required by this Ordinance or the Supplemental Resolution and are deemed necessary or advisable by the Registrar and the City.

Section 2.11. Delivery of Series 1987 Bonds. The City shall execute and deliver to the Registrar, and the Registrar shall authenticate, register and deliver to the Original Purchaser the Series 1987 Bonds, upon payment therefor and receipt of the documents set forth below:

A. A request and authorization to the Registrar on behalf of the City, signed by an Authorized Officer, to authenticate and deliver to the Original Purchaser the Series 1987 Bonds; and

B. The unqualified approving opinion of bond counsel designated by the City and acceptable to the Original Purchaser.

### ARTICLE III

#### BOND PROCEEDS; FUNDS AND ACCOUNTS; SANITARY BOARD

Section 3.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts hereby are established with one or more Depository Banks:

- (1) The Cost of Issuance Fund;
- (2) The Waterworks Revenue Fund;
- (3) The Sewerage System Revenue Fund;
- (4) The Waterworks Depreciation Fund;
- (5) The Sewerage System Depreciation Fund;
- (6) The Waterworks Operation and Maintenance Fund.
- (7) The Sewerage System Operation and Maintenance Fund.

Section 3.02. Establishment of Funds and Accounts with Bond Commission. The Waterworks Sinking Fund, and within the Waterworks Sinking Fund the Waterworks Reserve Account, and the Sewerage System Sinking Fund, and within the Sewerage System Sinking Fund, the Sewerage System Reserve Account, hereby are established with the Municipal Bond Commission.

Section 3.03. Waterworks Gross Revenues and Application Thereof. So long as any of the Waterworks Bonds shall remain Outstanding, the City covenants as follows:

A. All Waterworks Gross Revenues shall be deposited by the City in the Waterworks Revenue Fund promptly upon receipt. The Waterworks Revenue Fund shall be kept separate and distinct from all other funds of the City and the Depository Bank. Funds on deposit in the Waterworks Revenue Fund shall be applied only in the following manner and order of priority (but subject to subparagraph 6 hereof):

1. (a) On the first day of each month, beginning on the first day of that month which is seven months prior to the first interest payment date on which interest is to be paid from Waterworks Revenues, as set forth by

Supplemental Resolution, the City shall apportion and set apart out of the Waterworks Revenue Fund and remit to the Bond Commission for deposit in the Waterworks Sinking Fund, a sum equal to one-sixth of the amount of interest which will become due on the Waterworks Bonds on the next ensuing semiannual interest payment date; provided, that "next ensuing semiannual interest payment date" shall not refer to the interest payment date on which any such deposit is made. The last monthly deposit to be made in each six-month period to pay interest on the next ensuing semiannual interest payment date may be reduced to the extent that deposits made for the five preceding months, together with any other moneys on deposit in the Waterworks Sinking Fund for the payment of interest, would be sufficient with such reduced monthly deposit to make the next ensuing semiannual interest payment.

(b) On the first day of each month, beginning on the first day of that month which is 13 months prior to the first principal payment of the Waterworks Bonds, the City shall apportion and set apart out of the Waterworks Revenue Fund and remit to the Bond Commission for deposit in the Waterworks Sinking Fund, a sum equal to one-twelfth of the amount of principal which will mature and become due on the Waterworks Bonds on the next ensuing principal payment.

(c) The City shall next, from the Waterworks Revenue Fund remit to the Bond Commission for deposit in the Waterworks Reserve Account within the Waterworks Sinking Fund an amount equal to one-twelfth of one-tenth of the Waterworks Reserve Account Requirement; provided that no further payments shall be made unto the Waterworks Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Waterworks Reserve Account Requirement.

(d) On such dates as the Bond Commission shall require, the City shall remit to the Bond Commission such additional sums from the Waterworks Revenue Fund as shall be necessary to pay the fiscal agency charges due for paying the Waterworks Bonds and the interest thereon.

Pending such application, moneys in the Waterworks Revenue Fund shall be invested in accordance with Article IV hereof.

Moneys on deposit in the Waterworks Sinking Fund shall be used only for the purposes of paying the principal of and the interest on the Waterworks Bonds as the same shall become due.

The City shall not be required to make further deposits into the Waterworks Sinking Fund and the Waterworks Reserve Account therein when the sum in the Waterworks Sinking

Fund and all accounts therein of cash, Government Obligations and interest to be earned on such Government Obligations, without reinvestment, is at least equal to the aggregate principal amount of Waterworks Bonds then Outstanding plus the amount of interest due or thereafter to become due thereon.

As and when additional Waterworks Bonds are issued, provision shall be made for additional deposits into the Waterworks Sinking Fund sufficient to pay the interest on such additional Waterworks Bonds and accomplish retirement thereof at or before maturity.

Deposits into the Waterworks Sinking Fund shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such deposit shall be made on the next succeeding business day. All such deposits shall be remitted to the Bond Commission with appropriate instructions, consistent with the provisions of this Ordinance, as to the custody, use and application of the funds deposited.

2. The City shall restore any withdrawals from the Waterworks Reserve Account which have the effect of reducing the value of the funds therein below the Waterworks Reserve Account Requirement, first from moneys then remaining in the Waterworks Revenue Fund and next from funds deposited in the Waterworks Depreciation Fund and then from the first Waterworks Revenues available after all required deposits to the Waterworks Sinking Fund, including deposits in respect of deficiencies for prior deposits, have been made in full; provided, that the City shall not be required to restore any withdrawal when the sum in the Waterworks Sinking Fund and all accounts therein of cash, Government Obligations and interest to be earned on such Government Obligations, without reinvestment, is at least equal to the aggregate principal amount of Waterworks Bonds then Outstanding plus the amount of interest due or thereafter to become due thereon.

3. On the first day of each month, beginning with the first month in which interest shall be payable from the Waterworks Revenue Fund, the City shall apportion and set apart out of the Waterworks Revenue Fund and transfer to the Waterworks Depreciation Fund, a sum equal to 2-1/2% of Waterworks Gross Revenues, less any amount transferred to the Waterworks Reserve Account, received during the previous month. All funds in the Waterworks Depreciation Fund shall be kept separate and distinct from all other funds of the City and the Depository Bank.

Withdrawals and disbursements from the Waterworks Depreciation Fund shall be made by the City only for the following purposes and in the following order of priority:

(a) For the payment of the then payable principal of, premium, if any, and interest on the Waterworks Bonds if there are not sufficient funds therefor in the Waterworks Sinking Fund (including the Waterworks Reserve Account);

(b) To make up any deficiency in the Waterworks Reserve Account (so that the amount on deposit therein is at least equal to the Sewerage System Reserve Account Requirement), subject to the provisions of Section 3.03A(2);

(c) For the payment of the reasonable costs of land and depreciable renewals, repairs, extensions, improvements and additions to the Waterworks System; provided, that such depreciable items shall be depreciable over a period of not less than five years in accordance with generally accepted accounting principles; and

(d) For the payment of debt service on obligations not on a parity with the Waterworks Bonds, the proceeds of which obligations were used to finance such land, depreciable renewals, repairs, extensions, improvements and additions to the Waterworks System.

Pending such application, moneys in the Waterworks Depreciation Fund shall be invested in accordance with Article V hereof. Funds in the Waterworks Depreciation Fund exceeding the greater of (i) a sum which is sufficient for the purposes of capital replacements, additions or improvements for the Sewerage System System or any part thereof during the then current Fiscal Year and the next ensuing Fiscal Year, as determined by resolution of the Council of the City, or (ii) an amount equal to 10 percent of the aggregate principal amount of Waterworks Bonds Outstanding, may be used by the City to redeem Sewerage System Bonds Outstanding.

4. The City shall apportion and set apart out of the Waterworks Revenue Fund and transfer to the Waterworks Operation and Maintenance Fund all funds remaining in the Waterworks Revenue Fund. Moneys in the Waterworks Operation and Maintenance Fund may be withdrawn by the City at any time to pay current Waterworks Operating Expenses, and thereafter to make up any deficiencies in the Waterworks Sinking Fund to the extent not otherwise provided for above.

5. Whenever all the required transfers and deposits from the Waterworks Revenue Fund have been made and there remains on deposit in the Waterworks Operation and Maintenance Fund an amount exceeding the amounts estimated to be required to be paid for Waterworks Operating Expenses during the then current Fiscal Year and the next ensuing Fiscal Year, as determined by resolution of the Council of the City, such

excess may be transferred by the City to the Waterworks Depreciation Fund or may be used by the City to redeem Waterworks Bonds Outstanding.

6. The priority of application of funds established by this Section 3.03A notwithstanding, if at any time there shall be insufficient Gross Revenues deposited in the Waterworks Revenue Fund to pay Waterworks Operating Expenses as the same become due and payable (following the above-specified prior deposits into the Waterworks Sinking Fund, the Waterworks Reserve Account and the Waterworks Depreciation Fund), then during the continuation of such insufficiency, there shall be apportioned, set aside and transferred from the Waterworks Revenue Fund first to the Waterworks Operation and Maintenance Fund (before the above-specified deposits) such amounts of Waterworks Gross Revenues as the same are received as shall be requisitioned by certificate of the Mayor stating that such insufficiency exists and requisitioning that amount of Waterworks Gross Revenues equal to Waterworks Operating Expenses reasonably expected to be due and payable during the ensuing month. Each such certificate shall be presented to the Depository Bank, with a copy thereof forwarded by first class mail, postage prepaid, to the Original Purchaser. The Depository Bank shall transfer Waterworks Gross Revenues in accordance with any such requisition complying with the terms hereof, and shall have no responsibility for the truth or accuracy of the statements made therein.

7. If on any payment date Waterworks Gross Revenues are insufficient to make the transfers and deposits hereinabove provided, the deficient transfer or deposit shall be corrected on the next ensuing payment date by payments in addition to the payments otherwise required to be made on such payment date.

B. All Sewerage System Gross Revenues shall be deposited by the City in the Sewerage System Revenue Fund promptly upon receipt. The Sewerage System Revenue Fund shall be kept separate and distinct from all other funds of the City and the Depository Bank. Funds on deposit in the Sewerage System Revenue Fund shall be applied only in the following manner and order of priority:

1. On the first day of each month, the City shall apportion and set apart out of the Sewerage System Revenue Fund and transfer to the Sewerage System Operation and Maintenance Fund, an amount sufficient to pay Sewerage System Operating Expenses for the then current month.

2. (a) On the first day of each month, beginning on the first day of that month which is seven months prior to the first interest payment date on which interest is to be paid from Sewerage System Revenues, as set forth by Supplemental Resolution, the City shall apportion and set apart out of the Sewerage System Revenue Fund and remit to the Bond Commission for deposit in the Sewerage System Sinking Fund, a sum equal to one-sixth of the amount of interest which will become due on the Sewerage System Bonds on the next ensuing semiannual interest payment date; provided, that "next ensuing semiannual interest payment date" shall not refer to the interest payment date on which any such deposit is made. The last monthly deposit to be made in each six-month period to pay interest on the next ensuing semiannual interest payment date may be reduced to the extent that deposits made for the five preceding months, together with any other moneys on deposit in the Sewerage System Sinking Fund for the payment of interest, would be sufficient with such reduced monthly deposit to make the next ensuing semiannual interest payment.

(b) On the first day of each month, beginning on the first day of that month which is 13 months prior to the first principal payment of the Sewerage System Bonds, the City shall apportion and set apart out of the Sewerage System Revenue Fund and remit to the Bond Commission for deposit in the Sewerage System Sinking Fund, a sum equal to one-twelfth of the amount of principal which will mature and become due on the Sewerage System Bonds on the next ensuing principal payment.

(c) The City shall next, from the Sewerage System Revenue Fund remit to the Bond Commission for deposit in the Sewerage System Reserve Account within the Sewerage System Sinking Fund an amount equal to one-twelfth of one-tenth of the Sewerage System Reserve Account Requirement; provided that no further payments shall be made unto the Sewerage System Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Sewerage System Reserve Account Requirement.

(d) On such dates as the Bond Commission shall require, the City shall remit to the Bond Commission such additional sums from the Sewerage System Revenue Fund as shall be necessary to pay the fiscal agency charges due for paying the Sewerage System Bonds and the interest thereon.

Pending such application, moneys in the Sewerage System Revenue Fund shall be invested in accordance with Article V hereof.

Moneys on deposit in the Sewerage System Sinking Fund shall be used only for the purposes of paying the principal of and the interest on the Sewerage System Bonds as the same shall become due.

The City shall not be required to make further deposits into the Sewerage System Sinking Fund and the Sewerage System Reserve Account therein when the sum in the Sewerage System Sinking Fund and all accounts therein of cash, Government Obligations and interest to be earned on such Government Obligations, without reinvestment, is at least equal to the aggregate principal amount of Sewerage System Bonds then Outstanding plus the amount of interest due or thereafter to become due thereon.

As and when additional Sewerage System Bonds are issued, provision shall be made for additional deposits into the Sewerage System Sinking Fund sufficient to pay the interest on such additional Sewerage System Bonds and accomplish retirement thereof at or before maturity.

Deposits into the Sewerage System Sinking Fund shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such deposit shall be made on the next succeeding business day. All such deposits shall be remitted to the Bond Commission with appropriate instructions, consistent with the provisions of this Ordinance, as to the custody, use and application of the funds deposited.

2. The City shall restore any withdrawals from the Sewerage System Reserve Account which have the effect of reducing the value of the funds therein below the Sewerage System Reserve Account Requirement, first from moneys then remaining in the Sewerage System Revenue Fund and next from funds deposited in the Sewerage System Depreciation Fund and then from the first Sewerage System Revenues available after all required deposits to the Sewerage System Sinking Fund, including deposits in respect of deficiencies for prior deposits, have been made in full; provided, that the City shall not be required to restore any withdrawal when the sum in the Sewerage System Sinking Fund and all accounts therein of cash, Government Obligations and interest to be earned on such Government Obligations, without reinvestment, is at least equal to the aggregate principal amount of Sewerage System Bonds then Outstanding plus the amount of interest due or thereafter to become due thereon.

3. On the first day of each month, beginning with the first month in which interest shall be payable from the Sewerage System Revenue Fund, the City shall apportion and set apart out of the Sewerage System Revenue Fund

and transfer to the Sewerage System Depreciation Fund, a sum equal to 2-1/2% of Sewerage System Gross Revenues. All funds in the Sewerage System Depreciation Fund shall be kept separate and distinct from all other funds of the City and the Depository Bank.

Withdrawals and disbursements from the Sewerage System Depreciation Fund shall be made by the City only for the following purposes and in the following order of priority:

(a) For the payment of the then payable principal of, premium, if any, and interest on the Sewerage System Bonds if there are not sufficient funds therefor in the Sewerage System Sinking Fund (including the Sewerage System Reserve Account);

(b) To make up any deficiency in the Sewerage System Reserve Account (so that the amount on deposit therein is at least equal to the Sewerage System Reserve Account Requirement), subject to the provisions of Section 3.03B(2);

(c) For the payment of the reasonable costs of land and depreciable renewals, repairs, extensions, improvements and additions to the Sewerage System; provided, that such depreciable items shall be depreciable over a period of not less than five years in accordance with generally accepted accounting principles; and

(d) For the payment of debt service on obligations not on a parity with the Sewerage System Bonds, the proceeds of which obligations were used to finance such land, depreciable renewals, repairs, extensions, improvements and additions to the Sewerage System System.

Pending such application, moneys in the Sewerage System Depreciation Fund shall be invested in accordance with Article V hereof. Funds in the Sewerage System Depreciation Fund exceeding the greater of (i) a sum which is sufficient for the purposes of capital replacements, additions or improvements for the Sewerage System System or any part thereof during the then current Fiscal Year and the next ensuing Fiscal Year, as determined by resolution of the Sanitary Board, or (ii) an amount equal to 10 percent of the aggregate principal amount of Sewerage System Bonds Outstanding, may be used by the City to redeem Sewerage System Bonds Outstanding.

4. Moneys in the Sewerage System Operation and Maintenance Fund may be withdrawn by the City at any time to pay current Sewerage System Operating Expenses, and thereafter to make up any deficiencies in the Sewerage System Sinking Fund to the extent not otherwise provided for herein.

5. Whenever all the required transfers and deposits from the Sewerage System Revenue Fund have been made and there remains on deposit in the Sewerage System Revenue Fund an amount exceeding the amounts estimated to be required to be paid for Sewerage System Operating Expenses during the then current Fiscal Year and the next ensuing Fiscal Year. Such excess may be transferred by the City to the Sewerage System Depreciation Fund or may be used by the City to redeem Sewerage System Bonds Outstanding as directed by the Sanitary Board.

6. If on any payment date Sewerage System Gross Revenues are insufficient to make the transfers and deposits hereinabove provided, the deficient transfer or deposit shall be corrected on the next ensuing payment date by payments in addition to the payments otherwise required to be made on such payment date.

C. The Bond Commission hereby is designated as the fiscal agent for the administration of the Waterworks Sinking Fund and the Sewerage System Sinking Fund. All amounts to be deposited into the Waterworks Sinking Fund and the Sewerage System Sinking Fund shall be remitted by the City to the Bond Commission, as provided herein. All such remittances shall identify clearly the fund or account into which such remittance is to be deposited.

D. Funds on deposit in the Waterworks Revenue Fund and the Sewerage System Revenue Fund and the Waterworks Depreciation Fund and the Sewerage System Depreciation Fund in excess of the amount insured by the FDIC shall be secured at all times to the full extent of such excess by such Qualified Investments as are eligible under the laws of the State to secure deposits of municipal funds.

Section 3.04. Application of Bond Proceeds. The net proceeds of sale to the Original Purchaser of any series of Bonds shall be applied upon delivery of the said series, as follows:

A. The sum specified in the Escrow Agreement pertaining to the Series 1987 Bonds shall be applied in the manner provided therein to refund the Series 1955 Bonds.

B. The amount of the proceeds of said series representing interest accrued thereon from the date thereof, upon original issuance, through the day preceding the date of delivery thereof to the Original Purchaser shall be deposited in the Waterworks Sinking Fund, in the case of the Waterworks Bonds, and the Sewer System Sinking Fund, in the case of the Sewer System Bonds, and, in either case, used to pay the interest on the Bonds of said series next coming due.

To the extent that there are moneys representing accrued interest on deposit in the Waterworks Sinking Fund or the Sewer System Sinking Fund, payments required to be made by the City pursuant to Section 3.03A(1) and 3.03(B)(1) on account of interest shall be reduced proportionately.

C. An amount equal to the Waterworks Reserve Account Requirement and the Sewerage System Reserve Account Requirement, less the amount of other available funds provided therefor, shall be remitted to the Bond Commission for deposit in the Waterworks Reserve Account and the Sewerage System Reserve Account. Except as provided below, moneys in the Waterworks Reserve Account shall be applied only to pay the principal of, premium, if any, or interest on the Bonds as the same become due when other moneys in the Waterworks Sinking Fund are insufficient therefor. Except as provided below, moneys in the Sewerage System Reserve Account shall be applied only to pay the principal of, premium, if any, or interest on the Bonds as the same become due when other moneys in the Sewerage System Sinking Fund are insufficient therefor.

Pending such application, moneys in the Waterworks Reserve Account and the Sewerage System Reserve Account shall be invested and reinvested by the Bond Commission in accordance with Article IV hereof. The City shall withdraw semiannually from the Waterworks Reserve Account funds in excess of the Waterworks Reserve Account Requirement and deposit such funds into the Waterworks Revenue Fund. The City shall withdraw semiannually from the Sewerage System Reserve Account funds in excess of the Sewerage System Reserve Account Requirement and deposit such funds into the Sewerage System Revenue Fund.

As and when additional Waterworks Bonds or Sewerage System Bonds are issued, there shall be deposited in the Waterworks Reserve Account in the case of Waterworks Bonds and the Sewerage System Reserve Account in the case of Sewerage System Bonds an amount such that the balance on deposit therein equals the Waterworks Reserve Account Requirement in the case of Waterworks Bonds and the Sewerage System Reserve Account in the case of Sewerage System Bonds, taking into account such additional Bonds.

D. The balance of the proceeds of any series of Bonds shall be deposited by the City in the Cost of Issuance Fund, which fund shall be kept separate and distinct from all other funds of the City and the Depository Bank and shall be drawn out, used and applied by the City solely to pay Costs. Funds on deposit in the Cost of Issuance Fund in excess of the amount insured by the FDIC shall be secured at all times to the full extent of such excess by such Qualified Investments as are eligible under the laws of the State to secure deposits of municipal funds. Moneys not to be applied immediately to pay

Costs may be invested in accordance with Article IV hereof. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to, such purpose, one half of such unapplied proceeds shall be transferred by the City to the Waterworks Sinking Fund and the remainder of such proceeds shall be transferred to the Sewerage System Sinking Fund. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such moneys until so applied in favor of the Holders of the series of Bonds from which such proceeds are derived.

#### ARTICLE IV

##### SEVERANCE OF COMBINED SYSTEM

Section 4.01. Severage of Combined System; Supervision. From and after the effective date of this Ordinance and upon the refunding of the Prior Bonds, the Combined System is hereby severed. From and after the effective date of this Ordinance and the refunding of the Prior Bonds, the City Waterworks shall be managed and operated under the general supervision and control of, separate and apart from the Sewerage System of the City.

Section 4.02. Sanitary Board. The Sanitary Board of the City, heretofore created and existing under the provisions of Chapter 19 Article IV of the Code of the City shall exercise general supervision and control of the Sewerage System pursuant to said Chapter 19, Article IV of the Code of the City.

#### ARTICLE V

##### INVESTMENTS; NON-ARBITRAGE; QUALIFIED TAX-EXEMPT OBLIGATION; REPORTING REQUIREMENTS

Section 5.01. Investments. The City shall invest and reinvest, and hereby instructs the Bond Commission and the Depository Bank to invest and reinvest, in Qualified Investments any moneys held as part of the funds and accounts created by this Ordinance to the fullest extent possible subject to applicable laws, this Ordinance and the need for such moneys for the purposes set forth herein. The City may direct the Bond Commission and the Depository Bank in writing as to what particular permitted investments shall be made.

Except as provided below, any investment shall be held in and at all times be deemed a part of the fund or account in which the moneys and investments are held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the corresponding

fund or account. The investments held by the Depository Bank shall be valued as of each January 1 and July 1 at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount; provided, that no investment shall be sold or reduced by reason of the current market value exceeding the cost thereof. The Bond Commission or the Depository Bank, 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 any loss on such liquidation. The City may invest funds on deposit with the Depository Bank through the trust department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, except losses due to its own gross negligence or willful misconduct.

Qualified Investments may be purchased for the Waterworks Sinking Fund and the Sewerage System Sinking Fund, including the Waterworks Reserve Account and the Sewerage System Reserve Account therein, and for the Waterworks Depreciation Fund and the Sewerage System Depreciation Fund, in the open market.

Qualified Investments acquired for the Waterworks Depreciation Fund and the Sewerage System Depreciation Fund shall mature or be subject to redemption at the option of the holder within three years from the date of such investment.

Qualified Investments acquired for the Waterworks Reserve Account and the Sewerage System Reserve Account shall mature or be subject to redemption at the option of the holder within five years from the date of such investment.

Section 5.02. Restrictions as to Arbitrage Bonds. The City hereby covenants, and hereby instructs the Bond Commission and the Depository Bank, that it shall not permit the proceeds of the Bonds or any other funds of the City to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 148 of the Internal Revenue Code of 1986, as amended. Upon original issuance of any series of Bonds, an Authorized Officer of the City shall certify certain facts and expectations tending to establish that such Bonds are not such arbitrage bonds.

Section 5.03. Arbitrage Covenants. The City hereby certifies, and covenants with the Bondholders that (i) it is a governmental unit with general taxing powers; (ii) the series 1987 Sewerage System Bonds and the Series 1987 Waterworks Bonds are not private activity bonds as defined in Section 141 of the

Code; (iii) not less than 95% of the proceeds of the Series 1987 Sewerage System Bonds and the Series 1987 Waterworks Bonds are to be used for local governmental activities of the City; and (iv) the face amount of all tax-exempt bonds (other than private activity bonds) issued or to be issued by the City during the calendar year 1987 is not as of the date hereof reasonably expected to exceed \$5,000,000.

Unless otherwise excepted, the City will make, or cause to be made, all rebate calculations and payments in time, manner and as required in Section 148(f) of the Code. In the event of a failure to pay such amounts, the City will pay to the United States a penalty in an amount equal to the sum of 50% of the amount not paid, plus interest at the required rate on the portion of the amount which was not paid on the required date, beginning on such date, unless waived by the Secretary. The City shall maintain, and provide the bondholders requesting the same, records of such computations and payments.

Section 5.04. Qualified Tax-Exempt Obligation Covenants. The City hereby designates the Series 1987 Waterworks Bonds and the Series 1987 Sewerage System Bonds as qualified tax-exempt obligations as defined in Section 265(b)(3)(B) of the Code. The City further certifies and covenants with the Bondholders that (i) none of the Series 1987 Waterworks Bonds or the Series 1987 Sewerage System Bonds are private activity bonds; (ii) neither the City nor any agency, board, subdivision, nor other subordinate entity of the City during the calendar year 1987 has designated any tax exempt obligation issued by the City, or any such agency, board, subdivision or subordinate entity as a qualified tax-exempt obligation; (iii) the City, during the calendar year 1987, does not as of the date hereof reasonably expect to issue qualified tax-exempt obligations (other than private activity bonds) in excess of \$10,000,000; and (iv) the City will not during calendar year 1987 designate any additional tax-exempt obligations (other than private activity bonds) as qualified, tax-exempt obligations, if the effect of such designation would be to cause the total aggregate amount of qualified tax-exempt obligations of the City or any agency, board, subdivision, or subordinate entity of the City issued during calendar year 1987 to exceed \$10,000,000.

Section 5.05. Reporting Requirements. The City will fill all reports or statements necessary to insure the tax-exempt status of the Series 1987 Waterworks Bonds and the Series 1987 Sewerage System Bonds, including without limitation, the information return required under Section 149(e) of the Code.

## ARTICLE VI

### ADDITIONAL COVENANTS OF THE CITY

Section 6.01. General Covenants of the City. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the City and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds, as prescribed by Article VI hereof. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, for so long as any of the Bonds remain Outstanding.

Section 6.02. Bonds not to be Indebtedness of the City. The Bonds shall not be a corporate indebtedness of the City within the meaning of any statutory or constitutional limitation but shall be payable solely from Waterworks Gross Revenues as to the Waterworks Bonds and from Sewerage System Net Revenues as to the Sewerage System Bonds, the funds in the Waterworks Sinking Fund and all accounts therein as to the Waterworks Bonds and from funds in the Sewerage System Sinking Fund and all accounts therein as to the Sewerage System Bonds and from funds in the Waterworks Depreciation Fund as to the Waterworks Bonds and the Sewerage System Depreciation Fund, as to the Sewerage System Bonds and as to any series of Bonds, from the unexpended proceeds derived from the sale of that series. No Holder or Holders of any Bonds shall ever have the right to compel the exercise of the taxing power of the City to pay the principal of, premium, if any, or interest on the Bonds.

Section 6.03. Waterworks Bonds Secured by Pledge of Waterworks Gross Revenues, Funds and Unexpended Waterworks Bond Proceeds. The payment of the debt service of all of the Waterworks Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on and pledge of the Gross Revenues and the funds on deposit in the Waterworks Sinking Fund and the Waterworks Depreciation Fund. Waterworks Gross Revenues in an amount sufficient to pay the principal of, premium, if any, and interest on the Waterworks Bonds and to make the deposits into the Waterworks Sinking Fund and all other payments provided for in this Ordinance, and the funds on deposit in the Waterworks Sinking Fund and the Waterworks Depreciation Fund, are pledged irrevocably hereby in the manner provided in this Ordinance to the payment of the principal of, premium, if any, and interest on the Waterworks Bonds as the same become due and for the other purposes provided in this Ordinance. The City hereby pledges the unexpended proceeds of each series of Waterworks Bonds as additional security for payment of the principal of, premium, if any, and interest on the Waterworks Bonds of that series until expended in accordance with the provisions of this Ordinance.

Section 6.04. Sewerage System Bonds secured by Pledge of Sewerage System Net Revenues, Funds and Unexpended Sewerage System Bond Proceeds. The payment of the debt service of all of the Sewerage System Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on and pledge of the Net Revenues and the funds on deposit in the Sewerage System Sinking Fund and the Sewerage System Depreciation Fund. Sewerage System Net Revenues in an amount sufficient to pay the principal of, premium, if any, and interest on the Sewerage System Bonds and to make the deposits into the Sewerage System Sinking Fund and all other payments provided for in this Ordinance, and the funds on deposit in the Sewerage System Sinking Fund and the Sewerage System Depreciation Fund, are pledged irrevocably hereby in the manner provided in this Ordinance to the payment of the principal of, premium, if any, and interest on the Sewerage System Bonds as the same become due and for the other purposes provided in this Ordinance. The City hereby pledges the unexpended proceeds of each series of Sewerage System Bonds as additional security for payment of the principal of, premium, if any, and interest on the Sewerage System Bonds of that series until expended in accordance with the provisions of this Ordinance.

Section 6.05. Waterworks Rates. Just and equitable rates and charges for the use of and the service rendered by the Waterworks System shall be established, all in the manner and form required by law, and copies of such rates and charges so fixed and established at all times shall be kept on file in the offices of the City Clerk, open to inspection by all interested parties. The schedule of rates and charges shall produce in each year Waterworks Gross Revenues sufficient to make the required payments into the funds and accounts created hereunder and to pay Waterworks Operating Expenses. Such schedule of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the City hereby covenants and agrees that it will fix, establish and collect rates and charges which always shall provide Waterworks Gross Revenues equal to not less than one hundred ten percent (110%) of the average annual amount required to pay the interest and principal as the same become due and accomplish retirement of all Waterworks Bonds or other obligations for the payment of which Waterworks Gross Revenues have or shall have been pledged, charged or otherwise encumbered and leave a balance, after said one hundred ten percent 110%, at least sufficient to provide for all reasonable Waterworks Operating Expenses.

Section 6.06. Sewerage System Rates. Just and equitable rates and charges for the use of the service rendered by the Sewerage System shall be established, all in the manner and form required by law, and copies of such rates and charges so fixed and established at all times shall be kept on file in the offices of the City Clerk of the City and of the Secretary of the Sanitary Board, open to inspection by all interested parties. The schedule of rates and charges shall produce in each year Sewerage System Gross Revenues sufficient to make the required payments into the funds and accounts created hereunder and to pay Operating Expenses. Such schedule of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the City hereby covenants and agrees that it will fix, establish and collect rates and charges which always shall provide Sewerage System Gross Revenues equal to not less than One hundred ten percent 110% of the average annual amount required to pay the interest and principal as the same become due and accomplish retirement of all Sewerage System Bonds or other obligations for the payment of which Sewerage System Gross Revenues have or shall have been pledged, charged or otherwise encumbered and leave a balance, after said 110%, at least sufficient to provide for all reasonable Operating Expenses of the Sewerage System.

Section 6.07. Operation and Maintenance. The City will maintain the Waterworks System and the Sewerage System in good condition and will operate both as revenue-producing enterprises in an efficient and economical manner, making expenditures for equipment and for the economical operation and maintenance thereof from Waterworks Gross Revenues, and Sewerage System Gross Revenues, as the case may be, as provided in this Ordinance.

Section 6.08. Sale of the Waterworks System and the Sewerage System. Neither the Waterworks System nor the Sewerage System may 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 defease the pledge created by this Ordinance as provided by Section 8.01 hereof. The proceeds from such sale, mortgage, lease or other disposition of either the Waterworks System or the Sewerage System immediately shall be remitted to the Bond Commission for deposit in the Waterworks Sinking Fund in the case of a sale of the Waterworks System, and in the Sewerage System Sinking Fund in the case of the sale of the Sewerage System, and otherwise as prescribed by Section 8.01. Any balance remaining after such defeasance shall be remitted to the City by the Bond Commission unless necessary for the

payment of other obligations of the City payable out of Waterworks Gross Revenues or Sewerage System Gross Revenues, as the case may be. No such sale, lease or other disposition shall be made by the City if the proceeds to be derived therefrom shall be insufficient to defease the pledge created by this Ordinance, as provided by Section 8.01 hereof, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of Bonds then Outstanding.

Section 6.09. Issuance of Other Obligations Payable out of Waterworks Gross Revenues or Sewerage System Net Revenues and General Covenant Against Encumbrances. The City shall not issue any other obligations whatsoever, except additional parity Bonds as provided in Sections 6.10 and 6.11, payable from Waterworks Net Revenues or Sewerage System Net Revenues which, as to lien, security and source of payment, rank prior or equal to the Waterworks Bonds or the Sewerage System Bonds, as the case may be; and all obligations hereafter issued by the City payable from either Waterworks Net Revenues or Sewerage System Gross Revenues, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate to the Waterworks Bonds or the Sewerage System Bonds, as the case may be, as to lien, security and source of payment.

The City shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over, or except with respect to said additional parity Waterworks Bonds, being on a parity with, the lien of the Waterworks Bonds and the interest thereon, upon Waterworks Gross Revenues.

The City shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over, or except with respect to said additional parity Sewerage System Bonds, being on a parity with, the lien of the Sewerage System Bonds and the interest thereon, upon Sewerage System Net Revenues.

Section 6.10. Additional Parity Waterworks Bonds. No additional parity Waterworks Bonds, as in this Section defined, shall be issued after the issuance of any Waterworks Bonds except under the conditions and in the manner herein provided.

No additional parity Waterworks Bonds shall be issued except for the purpose of financing the Costs of the construction of additions, betterments or improvements to the Waterworks System, or of refunding the entirety or a portion of one or more or all series of Waterworks Bonds then Outstanding, or both.

Except as hereinafter provided, no additional parity Bonds shall be issued unless and until there has been procured and filed with the City Clerk of the City a written statement by Independent Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Waterworks Net Revenues actually derived, subject to the adjustments hereinafter provided, during any 12 consecutive months within the 18 months immediately preceding the date of issuance of such additional parity Waterworks Bonds, plus the average of the estimated increase in annual Waterworks Net Revenues to be received in each of the three succeeding years after the completion of the improvements to be financed by such additional parity Bonds, shall not be less than one hundred ten percent 110% of the average annual amount which will become due for principal of and interest on the following:

1. The Series 1987 Waterworks Refunding Bonds then Outstanding, if any;
2. Any additional parity Waterworks Bonds theretofore issued then Outstanding, if any; and
3. The additional parity Waterworks Bonds then proposed to be issued.

The "estimated increase in annual Waterworks Net Revenues to be received in each of the three 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 additional parity Waterworks Bonds and any increase in rates enacted by the City, the time for appeal of which shall have expired prior to the date of delivery of such additional parity Waterworks Bonds. The Net Revenues actually derived during any 12 consecutive months, as referred to above, may be adjusted by adding thereto such additional Net Revenues as would have been received, as certified by the Consulting Engineers and the Independent Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the City or ordered by the Public Service Commission of the State, as the case may be, the time for appeal of which shall have expired prior to issuance of such additional parity Waterworks Bonds.

Upon or prior to the delivery of such additional parity Waterworks Bonds, the City shall have entered into written contracts for the immediate construction of such additions, betterments or improvements to the Waterworks System as are to be financed by such additional parity Waterworks Bonds.

The City may issue additional parity Waterworks Bonds for refunding purposes without obtaining the above-referenced statement of Independent Accountants regarding Net Revenues if the aggregate debt service on said additional parity refunding Waterworks Bonds and such Waterworks Bonds as will remain Outstanding following issuance of said additional parity refunding Waterworks Bonds (the "Prior Waterworks Bonds") will not exceed, in any year that the Prior Waterworks Bonds remain Outstanding, the debt service which would have been required in such year had the Waterworks Bonds to be refunded by said additional parity refunding Waterworks Bonds not been refunded.

The term "additional parity Waterworks Bonds," as used in this Section, shall be deemed to mean additional Waterworks Bonds issued under the provisions and within the limitations of this Section, payable from Waterworks Gross Revenues on a parity with the Waterworks Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such additional parity Waterworks Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 1987 Waterworks Bonds and the Holders of any additional parity Waterworks Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this Section. All Waterworks Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on Gross Revenues and the funds in the Waterworks Sinking Fund and the Waterworks Depreciation Fund, without preference of any Waterworks Bond over any other. The City shall make increased payments into the various funds and accounts created in this Ordinance as required for and on account of such additional parity Waterworks Bonds, both from the proceeds of such additional parity Waterworks Bonds and from Waterworks Gross Revenues, in addition to the payments required for Outstanding Waterworks Bonds theretofore issued pursuant to this Ordinance.

No additional parity Waterworks Bonds shall be valid unless authenticated pursuant to Section 2.03. Prior to authentication, registration and delivery of such additional parity Waterworks Bonds, the Registrar shall receive those documents prescribed by Section 2.01 with respect to the Series 1987 Waterworks Refunding Bonds, modified as deemed necessary by the Registrar to reflect the issuance of such additional parity Waterworks Bonds.

The term "additional parity Waterworks Bonds," as used in this Section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on Waterworks Gross Revenues is subject and junior to the prior and superior lien thereon of the Waterworks Bonds.

No additional parity Waterworks Bonds shall be issued at any time unless all the payments into the respective funds and accounts provided for in this Ordinance on account of the Waterworks 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 additional parity Waterworks Bonds.

Section 6.11. Additional Sewerage System Parity Bonds. As recited in Section 1.03 hereof, the City intends to issue sewerage system revenue bonds on a parity with the Series 1987 Sewerage System Refunding Revenue Bonds to be purchased by the West Virginia Water Development Authority. Except for said parity bonds to be purchased by the Water Development Authority, no additional parity Sewerage System Bonds, as in this Section defined, shall be issued after the issuance of any Sewerage System Bonds except under the conditions and in the manner herein provided.

No additional parity Sewerage System Bonds shall be issued except for the purpose of financing the Costs of the construction of additions, betterments or improvements to the Sewerage System, or of refunding the entirety or a portion of one or more or all series of Sewerage System Bonds then Outstanding, or both.

Except as hereinafter provided, no additional parity Sewerage System Bonds shall be issued unless and until there has been procured and filed with the City Clerk of the City a written statement by Independent Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Sewerage System Net Revenues actually derived, subject to the adjustments hereinafter provided, during any 12 consecutive months within the 18 months immediately preceding the date of issuance of such additional parity Sewerage System Bonds, plus the average of the estimated increase in annual Sewerage System Net Revenues to be received in each of the three succeeding years after the completion of the improvements to be financed by such additional parity Sewerage System Bonds, shall not be less than 110% of the average annual amount which will become due for principal of and interest on the following:

1. The Series 1987 Sewerage System Refunding Bonds then Outstanding, if any;
2. Any additional parity Sewerage System Bonds theretofore issued then Outstanding, if any; and
3. The additional parity Sewerage System Bonds then proposed to be issued.

The "estimated increase in annual Sewerage System Net Revenues to be received in each of the three succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Sewerage System Net Revenues estimated to be derived from the improvements to be financed by such additional parity Sewerage System Bonds and any increase in rates enacted by the City, the time for appeal of which shall have expired prior to the date of delivery of such additional parity Sewerage System Bonds. The Sewerage System Net Revenue actually derived during any 12 consecutive months as referred to above, may be adjusted by adding thereto such additional Sewerage System Net Revenues as would have been received, as certified by the Consulting Engineers and the Independent Accountants, on account of increased rates, rentals, fees and charges for the Sewerage System enacted by the City or ordered by the Public Service Commission of the State, as the case may be, the time for appeal of which shall have expired prior to issuance of such additional parity Sewerage System Bonds.

Upon or prior to the delivery of such additional parity Sewerage System Bonds, the City shall have entered into written contracts for the immediate construction of such additions, betterments or improvements to the Sewerage System as are to be financed by such additional parity Sewerage System Bonds.

The City may issue additional parity Sewerage System Bonds for refunding purposes without obtaining the above-referenced statement of Independent Accountants regarding Sewerage System Net Revenues if the aggregate debt service on said additional parity refunding Sewerage System Bonds and such Sewerage System Bonds as will remain Outstanding following issuance of said additional parity refunding Sewerage System Bonds (the "Prior Sewerage System Bonds") will not exceed, in any year that the Prior Sewerage System Bonds remain Outstanding, the debt service which would have been required in such year had the Sewerage System Bonds to be refunded by said additional parity refunding Sewerage System Bonds not been refunded.

The term "additional parity Sewerage System Bonds," as used in this Section, shall be deemed to mean additional Sewerage System Bonds issued under the provisions and within the limitations of this Section, payable from Sewerage System Net Revenues on a parity with the Sewerage System Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such additional parity Sewerage System Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 1987 Sewerage System Refunding Bonds and the Holders of any additional parity Sewerage System Bonds theretofore or

subsequently issued from time to time within the limitations of and in compliance with this Section. All Sewerage System Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on Net Revenues and the funds in the Sewerage System Sinking Fund and the Sewerage System Depreciation Fund, without preference of any Sewerage System Bond over any other. The City shall make increased payments into the various funds and accounts created in this Ordinance as required for and on account of such additional parity Sewerage System Bonds, both from the proceeds of such additional parity Sewerage System Bonds and from Sewerage System Gross Revenues, in addition to the payments required for Outstanding Bonds theretofore issued pursuant to this Ordinance.

No additional parity Sewerage System Bonds shall be valid unless authenticated pursuant to Section 2.03. Prior to authentication, registration and delivery of such additional parity Sewerage System Bonds, the Registrar shall receive those documents prescribed by Section 2.01 with respect to the Series 1987 Sewerage System Refunding Bonds, modified as deemed necessary by the Registrar to reflect the issuance of such additional parity Sewerage System Bonds.

The term "additional parity Sewerage System Bonds," as used in this Section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on Sewerage System Net Revenues is subject and junior to the prior and superior lien thereon of the Sewerage System Bonds.

No additional parity Sewerage System Bonds shall be issued at any time unless all the payments into the respective funds and accounts provided for in this Ordinance on account of the Sewerage System 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 additional parity Sewerage System Bonds.

Section 6.12. Insurance. The City shall carry with a reputable insurance carrier or carriers such insurance as is customarily carried with respect to works and properties similar to the Waterworks System and the Sewerage System, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks. In time of war, the City also shall carry such insurance as may be available against loss or damage by the risks and hazards of war. Such insurance at all times shall be maintained in an amount equal to the fair appraisal value of the buildings, properties, furniture, fixtures and equipment of the Waterworks System and the Sewerage System. The proceeds of all such insurance policies shall be placed in the Waterworks Depreciation Fund or the Sewerage System Depreciation Fund and

used only for repairs to and restoration of damaged or destroyed properties of the Waterworks System and the Sewerage System, as the case may be, or for the other purposes herein for which moneys in the Depreciation Fund may be applied. The City also shall carry liability insurance for injury or damage to persons or property in such amounts as are adequate for such purposes and customarily carried with respect to works and properties similar to the Waterworks System and the Sewerage System.

Section 6.13. Service Rendered to the City. The City will not render or cause to be rendered any free services of any nature by the Waterworks System or the Sewerage System; and, in the event the City or any department, agency, instrumentality, officer or employee of the City shall avail itself or himself of the facilities or services provided by the Waterworks System or the Sewerage System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the City and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the City shall transfer from its general funds sufficient sums to pay such charges. The revenues so received shall be deemed to be Waterworks Gross Revenues or Sewerage System Gross Revenues, as the case may be, and shall be deposited and accounted for in the same manner as other Waterworks Gross Revenues and Sewerage System Gross Revenues.

Section 6.14. Enforcement of Collections. The City diligently will enforce and collect all fees, rates, rentals or other charges for the services and facilities of the Waterworks and the Sewerage System and take all steps, actions and proceedings for the enforcement and collection of such fees, rates, rentals or other charges as shall become delinquent to the full extent permitted or authorized by the Water Act or the Sewer Act or otherwise by the laws of the State. Subject to applicable State law and regulations, and under such reasonable rules and regulations as may be prescribed by the City, the City shall discontinue both water and sewer service to all delinquent users of either water service or sewer service and shall not resume such services until all such delinquent amounts, including reasonable interest and penalty charges, have been paid in full.

Section 6.15. No Competing Franchise. To the extent legally allowable, the City will not grant or cause, consent to, or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the Waterworks or the Sewerage System.

Section 6.16. Books and Records. The City will keep books and records of the Waterworks System and the Sewerage System, which shall be separate and apart from all other books, records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the Waterworks System and the Sewerage System, and any Holder of either Waterworks Bonds or Sewerage System Bonds shall have the right at all reasonable times to inspect the Waterworks System or the Sewerage System, as the case may be, and all parts thereof, and all records, accounts and data of the City relating thereto.

The accounting system for the Waterworks System and the Sewerage System shall follow current generally accepted accounting principles, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of the State, the Water Act and the Sewer Act.

The City shall mail in each year to any Holder of Waterworks Bonds requesting the same, a statement of Waterworks Gross Revenues, Waterworks Operating Expenses and Waterworks Net Revenues; and a balance sheet statement showing all deposits in all the funds and accounts provided for in this Ordinance with respect to the Waterworks System, and the status of all said funds. The City shall mail in each year to any Holder of Sewerage System Bonds requesting the same, a statement of Sewerage System Gross Revenues, Sewerage System Operating Expenses and Sewerage System Net Revenues; and balance sheet statement showing all deposits in all the funds and accounts provided for in this Ordinance with respect to the Sewerage System, and the status of all said funds.

The City also, at least once a year, shall cause the books, records and accounts of the Waterworks System and the Sewerage 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 Holder of Waterworks Bonds or Sewerage System Bonds, as the case may be, and shall file said report with the Original Purchaser. Said reports shall be completed and made available within 120 days following the conclusion of each Fiscal Year. Such audit reports shall include mention of any failure of the City to observe the covenants and duties herein provided.

Section 6.17. Initial Schedule of Rates. The rates, fees and other charges for the use of the services and facilities of the Waterworks System and the Sewerage System, established under ordinances enacted by the Council on or before the effective date of this Ordinance and in full force and effect, or ordered by the Public Service Commission of the State, the time for appeal of such rates, fees and other

charges having expired, shall constitute the initial schedule, rates, fees and charges to be collected for use of the services and facilities of the Waterworks System and the Sewerage System.

Section 6.18. Operating Budget. Annually, at least 30 days preceding the beginning of each Fiscal Year, or at such earlier date required by the Charter of the City, the City shall prepare and adopt by resolution detailed budgets of the estimated expenditures for operation and maintenance of the Waterworks System and the Sewerage System during the succeeding Fiscal Year. The City shall mail copies of such annual budgets and all resolutions authorizing increased expenditures for operation and maintenance to the Original Purchaser and shall make available such budget and all such resolutions at all reasonable times to the Original Purchaser and, upon request, to any Holder of Waterworks Bonds or Sewerage System Bonds, as the case may be.

Section 6.19. Mandatory Sewer Connections. The mandatory use of the Sewerage System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants of, and the economy of, the City and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory serviced by the Sewerage System. Accordingly, within the geographic limits of the City and subject to applicable State laws and regulations, every owner, tenant and occupant of every lot, parcel and tract of land that abuts on a street, alley or other public way in which any sewer line, main or facility is located, or which is located within a reasonable distance thereof, not exceeding two hundred fifty (250) feet, and is reasonably accessible thereto, and upon which lot, parcel or tract a building or other habitable structure has been or shall be erected for residential, commercial or industrial use, shall connect the waste or sewerage lines of such building or structure with the Sewerage System if sewage will flow by gravity from such building or structure into the System and shall thereupon and thereafter refrain from using and shall cease to use any other method for the disposal of sewage or water-borne waste matter and shall pay all charges, fees and rates lawfully provided for use of the System.

Within the geographic limits of the city and subject to applicable State laws and regulations, any such building or structure from which emanates sewage or water-borne waste matter and is not so connected with the Sewerage System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the City and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

Section 6.20. The covenants contained in this Ordinance with respect to the Sewerage System Refunding Bonds are intended to correspond with covenants to be included in an Ordinance supplemental and amendatory hereof, pursuant to which the City will issue its Sewerage System Revenue Bonds to the West Virginia Water Development Authority on a parity with the Series 1987 Sewerage System Refunding Revenue Bonds. To the extent that the covenants contained in this Ordinance shall be inconsistent with the covenants contained in the said supplemental and amendatory ordinance issuing parity Sewerage System Bonds to be purchased by the Water Development Authority, the covenants contained in the said supplemental and amendatory ordinance issuing bonds to be purchased by the Water Development Authority shall control as to such Sewerage System Revenue Bonds to be purchased by the Water Development Authority.

## ARTICLE VII

### DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Occurrence of any of the following events shall constitute an "Event of Default" with respect to the Waterworks Bonds:

A. Default in the due and punctual payment of the principal of, premium, if any, or interest on any Waterworks Bond;

B. Default in the observance by the City of any of the covenants, agreements or conditions on its part in this Ordinance or any Supplemental Resolution or in the Waterworks Bonds contained with respect to the Waterworks Bonds (except as provided in paragraph A above), and continuance thereof for a period of 30 days after written notice specifying such default and requiring that the same be remedied shall have been given to the City by any Holder; or

C. The filing by the City of a petition seeking bankruptcy, reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America or of the State.

Occurrence of any of the following events shall constitute an "Event of Default" with respect to the Sewerage System Bonds:

D. Default in the due and punctual payment of the principal or, premium, if any, or interest on any Sewerage System Bond;

E. Default in the observance by the City of any of the covenants, agreements or conditions on its part in this Ordinance or any Supplemental Resolution or in the Sewerage System Bonds contained with respect to the Sewerage System Bonds (except as provided in paragraph D above), and continuance thereof for a period of 30 days after written notice specifying such default and requiring that the same be remedied shall have been given to the City by and Holder; or

F. The filing by the City of a petition seeking bankruptcy, reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America or of the State.

Section 7.02. Enforcement. Upon the occurrence and during the continuance of any Event of Default, any Holder may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights. Without limiting the generality of the foregoing, a Holder may:

A. Bring suit for any unpaid principal, premium or interest then due;

B. By mandamus or other appropriate proceeding enforce all rights of the Holders, including the performance by the City of its duties under the Act and this Ordinance;

C. Bring suit upon the Waterworks Bonds or the Sewerage System Bonds, as the case may be;

D. By action at law require the City to account as if it were the trustee of an express trust for the Holders; and

E. By action enjoin any acts in violation of this Ordinance or of the rights of the Holders.

No remedy by the terms of this Ordinance conferred upon or reserved to the Holders is intended to be exclusive of any other remedy, but each and every remedy shall be cumulative and shall be in addition to any other remedy given to the Holders hereunder or now or hereafter existing at law or by statute.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder by the Holders shall extend to or affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

Section 7.03. Appointment of Receiver. If any Event of Default shall have occurred and be continuing, in addition to all other remedies or rights, any Holder shall have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the Waterworks System in the case of a default of the Waterworks Bonds or the Sewerage System in the case of a default of the Sewerage System Bonds on behalf of the City, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of, premium, if any, and interest on the Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Waterworks Operating Expenses or Sewerage System Operating Expenses, as the case may be, and to apply such rates, rentals, fees, charges and any other Waterworks Gross Revenues or Sewerage System Gross Revenues, as the case may be in conformity with the provisions of this Ordinance and the Act.

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

Whenever all that is due upon the Waterworks Bonds or the Sewerage System Bonds, as the case may be, and interest thereon, and under any covenants of this Ordinance for the funds and accounts hereby established, and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Waterworks Gross Revenues or the Sewerage System Gross Revenues, as the case may be, 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 Waterworks System or the Sewerage System, as the case may be, shall be surrendered to the City upon the entry of an order of the court to that effect. Upon any subsequent Event of Default, any Holder shall have the same right to secure the further appointment of a receiver.

Such receiver, in the performance of the powers hereinabove conferred, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby and a successor receiver appointed at

the direction 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 Waterworks System or the Sewerage System, as the case may be, in the name of the City and for the joint protection and benefit of the City and the Holders of the Waterworks Bonds or the Sewerage System Bonds, as the case may be. 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 Waterworks System or the Sewerage System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the Waterworks System or the Sewerage System, as the case may be, for the sole purpose of the protection of both the City and the Holders, and the curing and making good of any default under the provisions of this Ordinance, and the title to and ownership of the Waterworks System or the Sewerage System, as the case may be, shall remain in the City, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the Waterworks System or the Sewerage System, as the case may be.

Section 7.04. Restoration of City and Holder. In case any Holder shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the claims of such Holder, then and in every such case the City and such Holder shall be restored to their former positions and rights hereunder, and all rights and remedies of such Holder shall continue as if no such proceedings had been taken, subject to such adverse determination as the court in such proceedings shall have made.

#### ARTICLE VIII

##### REGISTRAR; PAYING AGENT

Section 8.01. Appointment of Registrar. The Registrar shall be appointed by Supplemental Resolution and shall be a bank, national banking association or trust company which will enable the Series 1987 Bonds, and Bonds of other series if required by Supplemental Resolution, to be DTC-eligible. Any Authorized Officer of the City is authorized hereby to enter into an agreement with the Registrar upon such terms as such Authorized Officer shall determine advisable.

Section 8.02. Responsibilities of Registrar. The recitals of fact in the Bonds shall be taken as statements of the City, and the Registrar shall not be responsible for their accuracy. The Registrar shall not be deemed to make any representations as to, and shall not incur any liability on account of, the validity of the execution of any Bonds by the City; provided, however, that the Registrar shall be responsible for the representations in its Certificate of Authentication. The Registrar shall agree to perform and accept all the duties and responsibilities imposed upon the Registrar herein, and any other duties and responsibilities incident thereto, all as provided by the agreement described in Section 7.01.

Section 8.03. Evidence on which Registrar May Act. Except as otherwise provided by Section 9.02 hereof, the Registrar shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Whenever the Registrar shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be proved and established conclusively by a certificate of an Authorized Officer of the City, but in its discretion the Registrar may instead accept or require other evidence of such fact or matter.

Section 8.04. Compensation and Expenses. The City shall pay the Registrar from time to time reasonable compensation of all services and reimbursement of its expenses, including the transfer of registration of Bonds and the exchange of Bonds in the event of partial redemption, incurred in the performance of its duties hereunder. The City shall indemnify and save the Registrar harmless against any liabilities which it may incur in the exercise and performance of its power and duties and which are not due to the gross negligence or willful misconduct of the Registrar.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Bonds with the same rights as it would have were it not the Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Holders or effect or aid in any reorganization growing out of the enforcement of the Bonds or this Ordinance, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds Outstanding.

Section 8.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than 60 days' written notice to the City and the Bondholders. Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed pursuant to Section 7.08, in which event such resignation shall take effect upon such appointment.

Section 8.07. Removal. The Registrar may be removed at any time by the City, or by the Holders of a majority in principal amount of the Bonds then Outstanding, by an instrument or concurrent instruments in writing signed and duly acknowledged by the City or by such Holders or their attorneys duly authorized in writing and delivered to the City. Copies of each such instrument shall be delivered by the City to the Registrar.

Section 8.08. Appointment of Successor. In case the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, then the office or Registrar shall become vacant and a successor may be appointed by the Holders of a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments duly authorized in writing and delivered to the City and such successor Registrar, upon notification in writing thereof being given to the predecessor Registrar. Pending such appointment, the City forthwith shall appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by the Holders. The City shall notify the Bondholders as such appointment within 20 days after the effective date of such appointment. Any successor Registrar appointed by the City shall be superseded immediately and without further act by the Registrar appointed by the Holders. If no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the City written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Holder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this Section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance which will enable the Series 1987 Bonds, and Bonds of other series if required by Supplemental Resolution, to be DTC-eligible.

Section 8.09. Transfer of Rights and Property to Successor. Any predecessor Registrar shall pay over, assign and deliver any funds held by it to its successor.

Section 8.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 7.08.

Section 8.11. Adoption of Authentication. In case any of the Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent. The Registrar shall serve also as the Paying Agent. The Registrar's acceptance of the duties and responsibilities of the Registrar expressed in Section 7.02 shall include also the trusts and the duties of Paying Agent. Any alternate or successor alternate Paying Agent shall be a bank, trust company or national banking association which will enable the Series 1987 Bonds, and Bonds of any other series if required by Supplemental Resolution, to be DTC-eligible. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the City a written acceptance thereof.

Each Paying Agent shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by such Paying Agent in connection with such services solely from moneys available therefor.

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed, subject to the foregoing provisions of this Section, the successor of such Paying Agent for the purposes of this Ordinance. If the position of Paying Agent shall become vacant for any reason, within 30 days thereafter the City shall appoint, subject to the requirements of this Section, a bank, trust company or national banking association located in the same city as such

Paying Agent to fill such vacancy; provided, however, that, if the City shall fail to appoint such Paying Agent within said period, a court of competent jurisdiction or a majority of the Holders may make such appointment.

The Paying Agents shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in this Article VII with respect to the Registrar, insofar as such provisions may be applicable.

Notice of the appointment of successor or additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 7.08 hereof with respect to the appointment of a successor Registrar.

All moneys received by the Paying Agents, until used or applied as provided in this Ordinance, shall be held in trust for the purposes for which they were received.

## ARTICLE IX

### DEFEASANCE; DISCHARGE OF PLEDGE

Section 9.01. Defeasance; Discharge of Pledge. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Bonds the principal of, premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then this Ordinance and the pledges of Gross Revenues and other moneys and securities pledged hereunder, and all covenants, agreements and other obligations of the City on behalf of the Holders of the Bonds made hereunder, 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 Government Obligations 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 respective principal of, premium, if any, and interest on such Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section. Prior to the maturity thereof all Bonds shall 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 Bond Commission or its agent either moneys in an amount which shall be sufficient, or Government Obligations the principal of and the interest on which, when due, without reinvestment, will provide moneys which, together with the moneys, if any,

deposited with the Bond Commission or its agent at the same or earlier time will be sufficient, to pay when due the principal of, premium, if any, and interest due and to become due on the Bonds on and prior to the maturity date thereof. Neither Government Obligations nor moneys deposited with the Bond Commission or its agent pursuant to this Section, nor principal or interest payments on any such Government Obligations, shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, premium, if any, and interest on said Bonds; provided, that any cash received from such principal or interest payments on such Government Obligations deposited with the Bond Commission or its agent, if not then needed for such purpose, to the extent practicable shall be reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the principal of, premium, if any, and interest to become due on the Bonds on and prior to the maturity dates thereof.

#### ARTICLE X

#### DEFEASANCE OF SERIES 1955 BONDS

Section 10.01. The Series 1955 Bonds outstanding as of the date of the initial delivery of the Series 1987 Bonds hereby are ordered to be refunded in advance in whole on November 1, 1987 pursuant to the terms of the Escrow Agreement. Immediately upon delivery of the Series 1987 Bonds, there shall be deposited irrevocably in trust with that escrow agent designated by the Escrow Agreement such amount of the proceeds of the Series 1987 Bonds, plus such amount of other moneys legally available therefor, as shall be specified in the Escrow Agreement. As shall be provided in the Escrow Agreement, the escrow agent shall invest and hold a portion of the funds so deposited in Government Obligations, the principal of and the interest on which, when due, will provide moneys which, together with the amount of such deposit retained as cash, will be sufficient to pay when due the principal of, premium, and interest due and to become due on the Series 1955 Bonds on November 1, 1987 prior to the maturity dates thereof. Neither the Government Obligations nor the initial cash on deposit with said escrow agent, nor the investment proceeds thereof, shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, premium, and interest on the Series 1955 Bonds on November 1, 1987.

Upon such deposit, the respective liens of the Series 1955 Bonds imposed on the Combined Gross Revenues of the Combined System, the proceeds of the Series 1955 Bonds, if any, and the funds and accounts pertaining thereto, and all

covenants, agreements and other obligations of the City to the holders of the Series 1955 Bonds, shall cease, terminate and become void and be discharged and satisfied.

## ARTICLE XI

### MISCELLANEOUS

Section 11.01. Amendment of Ordinance. No amendment or modification to this Ordinance or to any Supplemental Resolution which is materially adverse to the Holder of any Bond, may be made without the prior written consents, filed with the City Clerk of the City before any such modification or amendment may be made, of the Holders of sixty percent in aggregate principal amount of the Bonds then Outstanding. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of, premium, if any, or interest on, any Bond without the express written consent of the Holder of such Bond, nor reduce the percentage of Bonds required for consent to any such modification or amendment.

Section 11.02. Evidence of Signatures of Holders and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which this Ordinance may require or permit to be signed and executed by Holders may be in one or more instruments of similar tenor, and shall be signed or executed by such Holders in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, shall be sufficient for any purpose of this Ordinance if made in the following manner, or in any other manner satisfactory to the City or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable.

A. The fact and date of the execution by any Holder or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn before such a notary public or other officer, or (ii) by the certificate, which need not be acknowledged or verified, of an officer of a bank, trust company or financial firm or corporation satisfactory to the City or the Registrar, as the case may be, that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Holder may be established without further proof if such instrument is signed by a person purporting to be the president or treasurer or a vice-president or an assistant treasurer of such corporation with a corporate seal affixed and attested by a person purporting to be its secretary or assistant secretary.

C. The amount of Bonds held by a person executing any instrument as a Holder, the date of his holding such Bonds and the numbers and other identification thereof, shall be confirmed by the Register.

Any request, consent or other instrument executed by the Holder of any Bond shall bind all future Holders and owners of such Bond in respect of anything done or suffered to be done hereunder by the City or the Registrar in accordance therewith.

Section 11.03. Preservation and Inspection of Documents. To the extent allowed under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Ordinance shall be retained in its possession and shall be available at all reasonable times for the inspection of the City or any Holder, their agents and representatives, but, at the election of the Registrar, any such reports, certificates, statements or other documents may be destroyed or otherwise disposed of at any time after such date as the pledge created by this Ordinance shall be discharged as provided in Section 8.01.

Section 11.04. Cancellation of Bonds. All Bonds purchased or paid and surrendered to the City shall be cancelled and delivered to the Registrar, or if surrendered to the Registrar, shall be cancelled by it. No such cancelled Bonds shall be deemed Outstanding under this Ordinance and no Bonds shall be issued in lieu thereof. All such Bonds shall be cancelled and upon order of the City shall be destroyed, and a certificate evidencing such destruction shall be delivered to the City.

Section 11.05. Failure To Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any moneys held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for one year after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the City be paid by the Bond Commission or said Paying Agent to the City as its absolute property and free from trust, subject to applicable law on escheat, and the Bond Commission or said Paying Agent thereupon shall be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the

City for the payment of such Bonds; provided, however, that before making any such payment to the City, at the request of either the Bond Commission or such Paying Agent, the Registrar shall send to the Holder by certified mail, at the address listed on the Register, a notice that such moneys remain unclaimed and that, after a date stated in said notice, which date shall be not less than 30 days after the date on which such notice is mailed, the balance of such moneys then unclaimed will be returned to the City.

Section 11.06. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the City, the Registrar or the Depository Bank shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows or if hand-delivered to the individual to whom such notice, demand or request is required to be directed as indicated below:

A. The City:

The City of Williamstown  
Williamstown, West Virginia 26187  
Attention: Mayor; and to

B. Registrar - as shall be set out in  
the Supplemental Resolution

Any party listed above may change the address given for it at any time upon written notice thereof sent by United States mail, postage prepaid, to the other parties.

Section 11.07. No Personal Liability. No member of the Council of the City or official or employee of the City shall be individually or personally liable for the payment of the principal of, premium, if any, or interest on any Bond, but nothing herein contained shall relieve any such member, official or employee of any duty provided by law or this Ordinance.

Section 11.08. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Bonds issued hereunder.

Section 11.09. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the City, the Registrar, the Paying Agent, the Bond Commission, an escrow agent, the Depository Bank, the Holders of the Bonds and the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements

contained in this Ordinance by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Registrar, the Paying Agent, the Bond Commission, an escrow agent, the Depository Bank, the Holders of the Bonds and the Original Purchaser.

Section 11.10. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 11.11. Table of Contents and Headings. The Table of Contents and headings of the articles and sections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 11.12. Publication of Ordinance; Public Hearing. The City Clerk of the City hereby is authorized and directed to publish an abstract of this Ordinance and a notice of public hearing in substantially the form appended hereto as Exhibit C as a Class II legal advertisement in compliance with the provisions of Chapter 59, Article III, of the Code of West Virginia of 1931, as amended, in The Parkersburg News, a newspaper of general circulation in the City. Said abstract and notice shall be published twice, the first such publication being not less than 10 days prior to the date of public hearing, and the second such publication being not less than seven days nor more than 13 days following said first publication but prior to the date of public hearing.

It hereby is determined that said abstract in such form contains sufficient information of the contents of this Ordinance.

The Council of the City shall conduct a public hearing on the date stated in said abstract and notice and shall permit any person interested in the Ordinance and the proposed issuance of the Series 1987 Bonds to present protests, objections and suggestions relevant thereto.

This Ordinance shall become effective upon adoption, following public hearing and otherwise in the manner prescribed by law.

Section 11.13. Conflicting Ordinances Repealed. All other Ordinances and all orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

EXHIBIT A  
[FRONT OF BOND]

No. R- \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
THE CITY OF WILLIAMSTOWN  
WATERWORKS REFUNDING REVENUE BOND, SERIES 1987

\_\_\_\_\_ Dollars

<u>Original Issuance</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Bond Date</u>
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Registered Owner:  
Principal Sum:

THE CITY OF WILLIAMSTOWN, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, the Principal Sum specified above to the Registered Owner named above or registered assigns (the "Registered Owner"), on the Maturity Date specified above and solely from such special funds also to pay interest on said Principal Sum from the Bond Date specified above at the Interest Rate per annum specified above semiannually, on the first day of \_\_\_\_\_ and the first day of \_\_\_\_\_ in each year, beginning \_\_\_\_\_ 1, 1987 for Bonds dated the date of initial issuance thereof, except as the provisions hereinafter set forth as to redemption may become applicable hereto.

The principal of this Bond, and the premium hereon, if any, are payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal corporate trust department office of \_\_\_\_\_, as paying agent and registrar (the "Registrar"). The interest so payable, and punctually paid or duly provided for, on any interest payment date will be paid to the registered owner as of the close of business on the Regular Record Date for such interest, which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding such interest payment date. Any such interest not so punctually paid or duly provided for forthwith shall cease to be payable to the Registered Owner as of such Regular Record Date, and may be paid to the Registered Owner hereof at the close of business on a Special Record Date for the payment of defaulted interest to be fixed by the Registrar, notice whereof such shall be given to the Registered Owners not less than 10 days prior to such Special Record Date. Interest shall be paid by check or draft mailed to the address of such Registered Owner at the address as it appears on the books of the Registrar (the "Bond Register").

REFERENCE HEREBY IS MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS FOR ALL PURPOSES SHALL HAVE THE SAME EFFECT AS IF SET FORTH HEREIN.

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

This Bond is designated by the city in the Ordinance as a "qualified tax exempt obligation" as defined in Section 265(b)(3)(B) of the Internal Revenue Code of 1986.

This Bond, under the provisions of the Act, is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only by transfer of registration hereof with the Registrar.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance and the 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, in the manner provided in the Ordinance, The City of Williamstown has caused this Bond to be signed by the manual signature of its Mayor and the seal of said City to be imprinted hereon and attested by the manual signature of the City Clerk, and has caused this Bond to be dated as of the Bond Date shown above.

[SEAL]

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

THE WILLIAMSTOWN NATIONAL BANK, as Registrar

By \_\_\_\_\_  
Its Authorized Officer

ASSIGNMENT

For value received, the undersigned Registered Owner do(es) hereby sell, assign and transfer unto \_\_\_\_\_

(name, address and social security number or other identifying number of assignee) the within Bond and hereby irrevocably constitute(s) and appoint(s) and \_\_\_\_\_ to transfer the said Bond on the books kept for registration of the within Bond with full power of substitution in the premises.

Dated: \_\_\_\_\_  
Registered Owner

Signature Guaranteed: \_\_\_\_\_

Notice: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of this Bond in every particular, without alteration or any change whatever.

[REVERSE OF BOND]

This Bond is one of a series of bonds in the aggregate principal amount of \$ \_\_\_\_\_ (the "Bonds") of like tenor and effect, except as to bond date, number, denomination and maturity date, dated the Original Issuance Date set forth above, issued to refund in advance the City's Water and Sewer Revenue Refunding Improvement Bonds, Series 1955 presently outstanding, all under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 13, Article 2E of the West Virginia Code, 1931, as amended, and the Charter of the City, as amended (collectively, the "Act"), and an ordinance duly enacted by the Council of the City on the \_\_\_\_ day of \_\_\_\_\_, 1987, and as supplemented by a resolution of said Council duly adopted on the \_\_\_\_ day of \_\_\_\_\_, 1987 (collectively, the "Ordinance"), and is subject to all the terms and conditions of the Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, which 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.

The Bonds shall be redeemable prior to their stated dates of maturity, at the option of the City, in whole at any time or in part on any interest payment date, in inverse order of maturity and by lot within a maturity, at the principal amount thereof, plus accrued interest to the redemption date.

Notice of any redemption of this Bond shall be given by the Registrar in the name of the City by first class mail, postage prepaid, not less than thirty days nor more than sixty days prior to the date fixed for redemption to the Registered Owner, addressed to the Registered Owner at his address appearing in the Bond Register. Failure to receive such notice or any defect in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Bonds; and failure to mail such notice shall not affect the validity of any proceedings for the redemption of any Bonds as to which no such failure has occurred. Notice of redemption having been given in the manner hereinabove provided, and moneys to pay the redemption price of Bonds called for redemption having been deposited with the Bond Commission for payment thereof, the Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and from and after the date fixed for redemption interest on such Bonds shall cease to accrue, and upon presentation and surrender of such Bonds at the office specified in such notice such Bonds shall be paid at the designated redemption price.

The Bonds and the interest thereon are payable only from and are secured by the net revenues derived from the Waterworks System, all funds in the Waterworks Sinking Fund and the Waterworks Depreciation Fund, both established under the Ordinance, and the unexpended proceeds of the Bonds, and the City hereby and in the Ordinance pledges such net revenues and funds to such payment, and the net revenues of the Waterworks System shall be set aside as a special fund hereby pledged for such purpose. Waterworks Gross revenues shall be sufficient to pay the expenses of operating and maintaining the Waterworks System and the principal of, premium, if any, and interest on all Bonds issued pursuant to the Ordinance, and to make the other payments required by the Ordinance. This Bond does not constitute a corporate indebtedness of the City within the meaning of any statutory or constitutional limitation, nor shall the City be obligated to pay the same or the interest hereon except from said special fund provided from the net revenues of the Waterworks System, all moneys in said Waterworks Sinking Fund and in the Waterworks Depreciation Fund,

and said unexpended Bond proceeds. No recourse shall be had for the payment of this Bond, the premium, if any, or the interest hereon, against the general fund of the City, nor shall the credit or taxing power of the City be deemed to be pledged thereto. Under the Ordinance, the City has covenanted and agreed to fix, establish and collect such just and equitable rates and charges for the use of the services and facilities of the Waterworks System, and to revise the same from time to time, as will always provide gross revenues equal to at least one hundred ten percent of the average annual amount required to pay the principal of and the interest on the Bonds as the same become due and to accomplish retirement of all obligations for the payment of which such revenues have or shall have been pledged, charged or otherwise encumbered and to leave a balance, after said one hundred ten percent, at least sufficient to provide for all reasonable expenses of repair, maintenance and operation of the Waterworks System. All required payments of the principal of, premium, if any, and interest on the Bonds shall constitute a first charge upon all the net revenues of the Waterworks System. The City has entered into certain further covenants with the Registered Owners of the Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds shall be applied solely to refund in advance the above-referenced Series 1955 Bonds, and to pay other costs in connection therewith, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the Registered Owners of the Bonds.

EXHIBIT B  
[FRONT OF BOND]

No. R- \_\_\_\_\_ UNITED STATES OF AMERICA \_\_\_\_\_ Dollars  
STATE OF WEST VIRGINIA  
THE CITY OF WILLIAMSTOWN  
SEWERAGE SYSTEM REFUNDING REVENUE BOND, SERIES 1987

<u>Original Issuance</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Bond Date</u>
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Registered Owner:  
Principal Sum:

THE CITY OF WILLIAMSTOWN, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, the Principal Sum specified above to the Registered Owner named above or registered assigns (the "Registered Owner"), on the Maturity Date specified above and solely from such special funds also to pay interest on said Principal Sum from the Bond Date specified above at the Interest Rate per annum specified above semiannually, on the first day of \_\_\_\_\_ and the first day of \_\_\_\_\_ in each year, beginning \_\_\_\_\_ 1, 1987 for Bonds dated the date of initial issuance thereof, except as the provisions hereinafter set forth as to redemption may become applicable hereto.

The principal of this Bond, and the premium hereon, if any, are payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the principal corporate trust department office of \_\_\_\_\_, as paying agent and registrar (the "Registrar"). The interest so payable, and punctually paid or duly provided for, on any interest payment date will be paid to the registered owner as of the close of business on the Regular Record Date for such interest, which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding such interest payment date. Any such interest not so punctually paid or duly provided for forthwith shall cease to be payable to the Registered Owner as of such Regular Record Date, and may be paid to the Registered Owner hereof at the close of business on a Special Record Date for the payment of defaulted interest to be fixed by the Registrar, notice whereof such shall be given to the Registered Owners not less than 10 days prior to such Special Record Date. Interest shall be paid by check or draft mailed to the address of such Registered Owner at the address as it appears on the books of the Registrar (the "Bond Register").

REFERENCE HEREBY IS MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS FOR ALL PURPOSES SHALL HAVE THE SAME EFFECT AS IF SET FORTH HEREIN.

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

said special funds by the City for the prompt payment of the principal of, premium, if any, and interest on the Bonds.

This Bond is designated by the city in the Ordinance as a "qualified tax exempt obligation" as defined in Section 265(b)(3)(B) of the Internal Revenue Code of 1986.

This Bond, under the provisions of the Act, is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only by transfer of registration hereof with the Registrar.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance and the 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, in the manner provided in the Ordinance, The City of Williamstown has caused this Bond to be signed by the manual signature of its Mayor and the seal of said City to be imprinted hereon and attested by the manual signature of the City Clerk, and has caused this Bond to be dated as of the Bond Date shown above.

[SEAL]

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

THE WILLIAMSTOWN NATIONAL BANK, as Registrar  
By \_\_\_\_\_  
Its Authorized Officer

ASSIGNMENT

For value received, the undersigned Registered Owner do(es) hereby sell, assign and transfer unto \_\_\_\_\_

(name, address and social security number or other identifying number of assignee) the within Bond and hereby irrevocably constitute(s) and appoint(s) \_\_\_\_\_ to transfer the said Bond on the books kept for registration of the within Bond with full power of substitution in the premises.

Dated: \_\_\_\_\_ Registered Owner

Signature Guaranteed: \_\_\_\_\_

Notice: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of this Bond in every particular, without alteration or any change whatever.

[REVERSE OF BOND]

This Bond is one of a series of bonds in the aggregate principal amount of \$ \_\_\_\_\_ (the "Bonds") of like tenor and effect, except as to bond date, number, denomination and maturity date, dated the Original Issuance Date set forth above, issued to refund in advance the City's Water and Sewer Revenue Refunding Improvement Bonds, Series 1955 presently outstanding, all under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 13, Article 2E of the West Virginia Code, 1931, as amended, and the Charter of the City, as amended (collectively, the "Act"), and an ordinance duly enacted by the Council of the City on the \_\_\_\_ day of \_\_\_\_\_, 1987, and as supplemented by a resolution of said Council duly adopted on the \_\_\_\_ day of \_\_\_\_\_, 1987 (collectively, the "Ordinance"), and is subject to all the terms and conditions of the Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, which 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.

The Bonds shall be redeemable prior to their stated dates of maturity, at the option of the City, in whole at any time or in part on any interest payment date, in inverse order of maturity and by lot within a maturity, at the principal amount thereof, plus accrued interest to the redemption date.

Notice of any redemption of this Bond shall be given by the Registrar in the name of the City by first class mail, postage prepaid, not less than thirty days nor more than sixty days prior to the date fixed for redemption to the Registered Owner, addressed to the Registered Owner at his address appearing in the Bond Register. Failure to receive such notice or any defect in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Bonds; and failure to mail such notice shall not affect the validity of any proceedings for the redemption of any Bonds as to which no such failure has occurred. Notice of redemption having been given in the manner hereinabove provided, and moneys to pay the redemption price of Bonds called for redemption having been deposited with the Bond Commission for payment thereof, the Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and from and after the date fixed for redemption interest on such Bonds shall cease to accrue, and upon presentation and surrender of such Bonds at the office specified in such notice such Bonds shall be paid at the designated redemption price.

The Bonds and the interest thereon are payable only from and are secured by the net revenues derived from the Sewerage System, all funds in the Sewerage System Sinking Fund and the Sewerage System Depreciation Fund, both established under the Ordinance, and the unexpended proceeds of the Bonds, and the City hereby and in the Ordinance pledges such net revenues and funds to such payment, and the net revenues of the Sewerage System shall be set aside as a special fund hereby pledged for such purpose. Sewerage System Gross revenues shall be sufficient to pay the expenses of operating and maintaining the Sewerage System and the principal of, premium, if any, and interest on all Bonds issued pursuant to the Ordinance, and to make the other payments required by the Ordinance. This Bond does not constitute a corporate indebtedness of the City within the meaning of any statutory or constitutional limitation, nor shall the City be obligated to pay the same or the interest hereon except from said special fund provided from the net revenues of the Sewerage System,

all moneys in said Sewerage Sinking Fund and in the Sewerage System Depreciation Fund, and said unexpended Bond proceeds. No recourse shall be had for the payment of this Bond, the premium, if any, or the interest hereon, against the general fund of the City, nor shall the credit or taxing power of the City be deemed to be pledged thereto. Under the Ordinance, the City has covenanted and agreed to fix, establish and collect such just and equitable rates and charges for the use of the services and facilities of the Sewerage System, and to revise the same from time to time, as will always provide gross revenues equal to at least one hundred ten percent of the average annual amount required to pay the principal of and the interest on the Bonds as the same become due and to accomplish retirement of all obligations for the payment of which such revenues have or shall have been pledged, charged or otherwise encumbered and to leave a balance, after said one hundred ten percent, at least sufficient to provide for all reasonable expenses of repair, maintenance and operation of the Sewerage System. All required payments of the principal of, premium, if any, and interest on the Bonds shall constitute a first charge upon all the net revenues of the Sewerage System. The City has entered into certain further covenants with the Registered Owners of the Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds shall be applied solely to refund in advance the above-referenced Series 1955 Bonds, and to pay other costs in connection therewith, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the Registered Owners of the Bonds.

EXHIBIT "C"

THE CITY OF WILLIAMSTOWN NOTICE OF PUBLIC HEARING

Notice is given hereby that the Council of The City of Williamstown, West Virginia adopted on April 7, 1987 its Ordinance, which Ordinance (i) authorizes the issuance of the City's Waterworks Refunding Revenue Bonds, Series 1987 in aggregate principal amount not to exceed \$59,000 for the purpose of refunding in whole and in advance of the maturities thereof the City's Water and Sewer Revenue Refunding and Improvement Bonds, Series 1955, dated December 1, 1955 upon original issuance and presently outstanding in the aggregate principal amount of \$118,000; (ii) authorizes the issuance of the City's Sewerage System Refunding Revenue Bonds, Series 1987 in aggregate principal amount not to exceed \$59,000 for the purpose of refunding in whole and in advance of the maturities thereof the City's Water and Sewer Revenue Refunding and Improvement Bonds, Series 1955, dated December 1, 1955 upon original issuance and presently outstanding in the aggregate principal amount of \$118,000; (iii) authorizes the Council to determine by supplemental resolution the aggregate principal amount, the interest rates, the schedule of principal and interest payments, the provisions regarding redemption prior to maturity and other matters, all pertaining to the Series 1987 Waterworks Refunding Revenue Bonds and Series 1987 Sewerage Refunding Revenue System Bonds; (iv) provides that payment of the Series 1987 Waterworks Refunding Revenue Bonds will be secured by the gross revenues of the City's Waterworks and by certain other funds and accounts established under the Ordinance; (v) provides that payment of the Series 1987 Sewerage System Refunding Revenue Bonds will be secured by the net revenues of the City's Sewerage System and by certain other funds and accounts established under the Ordinance; (vi) requires that the City collect water and sewer rates and charges to produce certain stated gross revenues; and (vii) authorizes and determines certain other matters pertaining thereto.

The City contemplates issuance of the Series 1987 Bonds described in the Ordinance. The Ordinance has been adopted.

Any person interested may appear before the Council of the City at a public hearing to be conducted during its meeting at 10:00 a.m. on April 25, 1987, in the Council Chambers in the Municipal Building, Williamstown, and present protests, objections and suggestions to be heard by the Council as to the matters set forth in the Ordinance.

If at such public hearing written protest is filed by 30% or more of the owners of real estate situate in the City, then the Council shall not take further action pursuant to the Ordinance unless four-fifths of the members of the Council assent thereto.

A certified copy of the Ordinance is on file in the office of the City Clerk for review by interested persons during regular office hours, to-wit: 8:00 a.m. to 4:30 p.m., Mondays through Fridays.

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City Clerk of the City of  
Williamstown, West Virginia

THE CITY OF WILLIAMSTOWN, WEST VIRGINIA

Sewerage System Revenue Bonds.  
Series 1987 A and Series 1987 B

SUPPLEMENTAL AND AMENDATORY BOND ORDINANCE

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AN ORDINANCE SUPPLEMENTING AND AMENDING THE ORDINANCE OF THE CITY OF WILLIAMSTOWN ENTITLED:

AN ORDINANCE AUTHORIZING THE REFUNDING OF THE WATER AND SEWER REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 1955, OF THE CITY OF WILLIAMSTOWN, WEST VIRGINIA THROUGH THE ISSUANCE BY THE CITY OF WILLIAMSTOWN, WEST VIRGINIA OF WATERWORKS REFUNDING REVENUE BONDS, SERIES 1987, IN AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$59,000 AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1987 IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$59,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH WATERWORKS REVENUE BONDS AND SEWERAGE SYSTEM REVENUE BONDS; PROVIDING FOR THE SEVERING OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF WILLIAMSTOWN INTO A SEPARATE WATERWORKS SYSTEM OF THE CITY OF WILLIAMSTOWN AND A SEPARATE SEWERAGE SYSTEM OF THE CITY OF WILLIAMSTOWN; CONTINUING THE SANITARY BOARD AND ENACTING OTHER PROVISION RELATING THERETO:

AUTHORIZING THE CONSTRUCTION AND ACQUISITION OF CERTAIN PUBLIC SERVICE PROPERTIES FOR THE COLLECTION, TREATMENT, PURIFICATION AND DISPOSAL OF LIQUID OR SOLID WASTES, SEWAGE AND INDUSTRIAL WASTES IN THE CITY OF WILLIAMSTOWN, WOOD COUNTY, WEST VIRGINIA, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREFOR, THROUGH THE ISSUANCE BY THE CITY OF WILLIAMSTOWN OF SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987 A AND SERIES 1987 B IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$900,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH SEWERAGE SYSTEM REVENUE BONDS; AUTHORIZING THE SALE OF SUCH SEWERAGE SYSTEM REVENUE BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; APPROVING AND RATIFYING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS; ADOPTING OTHER PROVISIONS RELATING THERETO; AND REPEALING AN ORDINANCE OF THE CITY ADOPTED ON APRIL 14, 1987

The Council of the City of Williamstown hereby ordains:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS

Section 1.01. Definitions. All capitalized terms used in this Supplemental and Amendatory Ordinance shall have the meanings set forth in the Prior Ordinance, and in addition,

the following terms shall have the meanings specified below with respect to the Series 1987 A Bonds and the Series 1987 B Bond, notwithstanding the fact that such terms may have different meanings under the Prior Ordinance:

"Authority" means the West Virginia Water Development Authority or any other agency of the State of West Virginia that succeeds to the functions of the Authority.

"Authorized Officer" means the Mayor of the City, as hereinafter defined, or any other officer of the City of Williamstown specifically designated by resolution of the City, as hereinafter defined, as such.

"Bond 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.

"Bonds" means collectively, the Prior Bonds, Series 1987 A Bonds and Series 1987 B Bond, as hereinafter defined, and any additional Bonds hereafter issued within the terms, restrictions and conditions contained herein and in the Prior Ordinance.

"Bonds Capitalized Interest Account" means the Sewerage System Revenue Bonds Capitalized Interest Account established in the Bond Construction Trust Fund.

"Bond Construction Trust Fund" means the City of Williamstown Project Bond Construction Trust Fund established by Section 4.02 hereof.

"Consulting Engineers" means any qualified engineers or firm of engineers that at any time may be retained by the City as consulting engineers for the System.

"Cost of the Project" or similar phrases mean those costs described in Section 1.03 hereof to be part of the costs of construction and acquisition of the Project, as hereinafter defined.

"Depository Bank" means any one or more state banking corporations or national banking associations, eligible under the laws of the State to receive deposits of state and municipal funds, insured by the Federal Deposit Insurance Corporation, and designated by the Sanitary Board of the City as custodian of any one or more of the funds established by Article IV hereof.

"EPA" means the United States Environmental Protection Agency and any successor to the functions of the EPA.

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

"Government Obligations" means (i) direct obligations of the United States of America, (ii) obligations unconditionally guaranteed by the United States of America, and (iii) securities which represent an interest in direct obligations of the United States of America (including obligations to pay principal or interest) in an amount sufficient to pay when due the face amount of such securities and interest thereon.

"Grant" means an amount expected to be received by the City from the EPA, in aid of financing a certain portion of the Cost of the Project.

"Gross Revenues" means the Sewerage System Gross Revenues as that term is defined in the Prior Ordinance.

"Loan Agreement" means the loan agreement between the City and the Authority, pursuant to which the Authority has agreed to purchase the Series 1987 A Bonds as hereinafter defined.

"Net Revenues" means the Gross Revenues of the System less Operating Expenses of the System.

"Operating Expenses" means the Sewerage System Operating Expenses as that term is defined in the Prior Ordinance.

"Paying Agent" means the paying agent or co-paying agent for the Bonds appointed by Supplemental Resolution hereto.

"Plans and Specifications" means the plans and specifications for the construction of the Project prepared by the Consulting Engineers on file in the office of the City.

"Prior Bonds" means the Series 1987 Sewerage System Refunding Revenue Bonds issued by the City pursuant to the Prior Ordinance.

"Prior Ordinance" means the Ordinance enacted by the City on April 7, 1987, authorizing the issuance of the Series 1987 Sewerage System Refunding Revenue Bonds.

"Program" means the Authority's loan program, under which the Authority purchases the water development revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of water development revenue bonds of the Authority.

"Project" means the public service properties for the collection, treatment, purification and disposal of liquid or solid wastes, sewage or industrial wastes of the City under the supervision and control of a sanitary board, as described in Exhibit A attached hereto and incorporated herein by reference.

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

A. Government Obligations;

B. 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 Federal National Mortgage Association (but only to the extent such obligations are guaranteed by the Government National Mortgage Association); or the Government National Mortgage Association;

C. Public housing bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; temporary notes, preliminary loan notes or project notes issued by public agencies or municipalities, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

D. Certificates of deposit or other similar banking arrangements permitted by law, with a member bank or member banks of the Federal Reserve System or banks the deposits of which are insured by the FDIC, upon the terms and conditions as follows:

(i) all moneys invested in each such interest-bearing time deposit, certificate of deposit or similar banking arrangement shall be continuously and fully secured by obligations of the types described in clauses A, B and C above of a market value equal at all times to the amount of the deposit, certificate or similar banking arrangement; and

(ii) each such interest-bearing time deposit, certificate of deposit or similar banking arrangement shall permit the moneys so placed to be available for use at the times provided with respect to the investment or reinvestment of such moneys;

E. Direct and general obligations of the State or any other state within the territorial United States, to the payment of the principal of and interest on which the full faith and credit of such state is pledged; provided, that, at the time of their purchase, such obligations are rated in either of the two highest rating categories by a nationally recognized bond rating agency;

F. The "consolidated fund" (or any distinct portion thereof) managed by the West Virginia State Board of Investments pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended;

G. Repurchase agreements relating to any securities of the type described in clauses A or C above with any banking institution or association, including the Depository Bank, or any other financial institution, provided that the Depository Bank or the Bond Commission, as the case may be, or its agent have possession of the collateral, and that such collateral be free of claims of third parties.

"Sanitary Board" means the Sanitary Board of the City, as such term is defined in the Prior Ordinance.

"Series 1987 A Bonds" means the Series 1987 A Bonds of the City described in Sections 3.02 and 3.03 hereof.

"Series 1987 A Bonds Reserve Account" means The City of Williamstown Sewerage System Bond Reserve Account created in the Series 1987 A Sinking Fund by Section 4.01B hereof.

"Series 1987 A Bonds Reserve Account Requirement" means the maximum amount of principal and interest which will come due on the Series 1987 A Bonds in the then current or any succeeding Fiscal Year.

"Series 1987 A Sinking Fund" means The City of Williamstown Sewerage System Series 1987 A Bonds Sinking Fund created in the Sewerage System Sinking Fund by Section 4.01B hereof.

"Series 1987 B Bond" means the Series 1987 B Bond of the City described in Sections 3.02 and 3.03 hereof.

"Series 1987 B Bond Reserve Account" means The City of Williamstown Sewerage System 1987 B Bond Reserve Account created in the Series 1987 B Sinking Fund by Section 4.01E hereof.

"Series 1987 B Bond Reserve Account Requirement" means the maximum amount of principal which will come due on the Series 1987 B Bond in the then current or any succeeding Fiscal Year.

"Series 1987 B Sinking Fund" means The City of Williamstown Sewerage System Series 1987 B Bond Sinking Fund created in the Sewerage System Sinking Fund by Section 4.01E hereof.

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

"Sewerage System Depreciation Fund" means the City of Williamstown Sewerage System Depreciation Fund created by Section 3.01 of the Prior Ordinance and Section 4.01C hereof.

"State" means the State of West Virginia.

"Supplemental Loan Agreement" means the supplemental loan agreement between the City and the Authority, pursuant to which the Authority has agreed to purchase the Series 1987 B Bond.

"Supplemental Resolution" means any resolution of the City amending or supplementing this Supplemental and Amendatory Ordinance.

"System" means the Project, in its entirety or any integral part thereof, and any improvements, extensions or betterments thereto hereafter constructed or acquired for the public services properties from any sources whatsoever, both within and without the City.

"Water Development Act" means Chapter 20, Article 5C, of the Code of West Virginia of 1931, as amended, and in effect on the date of adoption of this Supplemental and Amendatory Ordinance.

Additional terms and phrases are defined in this Supplemental and Amendatory 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 include the plural number in each case and vice versa; words importing the masculine gender include every other gender; and words importing persons include firms, partnerships, associations and corporations.

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

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

Section 1.02. Authority for this Supplemental and Amendatory Ordinance. This Supplemental and Amendatory Ordinance is adopted pursuant to the provisions of the Sewer Act, the Prior Ordinance, and other applicable provisions of law.

Section 1.03. Findings. The Council hereby finds and determines as follows:

A. The City of Williamstown is a municipal corporation and political subdivision of the State of West Virginia situated in Wood County of the State. The City of Williamstown owns and operates a municipal sewerage system and has heretofore financed the acquisition and construction of the System and certain additions, extensions and improvements to the System by issuance of several series of revenue bonds and refunding bonds, of which there is presently outstanding the City's Water and Sewer Revenue Refunding and Improvement Bonds, Series 1955, dated December 1, 1955 upon original issuance and issued in aggregate principal amount of \$320,000.00 pursuant to an Ordinance enacted by the Council of the City on October 18, 1955, which is to be refunded upon the issuance of the Prior Bonds and the Waterworks Refunding Revenue Bonds Series 1987 as authorized by the Prior Ordinance, to be issued concurrently with the Series 1987 A Bonds and Series 1987 B Bond.

B. The present sewage treatment facility of the City is inadequate and the existing sewage treatment plant cannot meet State and Federal regulatory requirements for secondary sewage treatment.

C. It is deemed necessary and desirable for the health, welfare and safety of the inhabitants of the City that the Project be constructed at an estimated cost of \$2,708,295. The Cost of the Project shall be deemed to include the construction of a secondary sewer treatment plant and the necessary appurtenances thereto to augment the City's present primary treatment capacity at Williamstown, Wood County, West Virginia. Expenses incurred will include, but not be limited to, the cost of all property, rights, easements and franchises deemed necessary or convenient therefor and for the

improvements determined upon as provided in the Sewer Act, interest upon the Series 1987 A Bonds prior to and during construction or acquisitions and six months after the completion of construction or acquisition of the Project, costs and expenses of the Authority related and incidental to the Project and the issuance of the Series 1987 A Bonds and the Series 1987 B Bond, engineering and legal expenses, expenses for estimates of costs and of revenues, expenses for plan specifications and surveys, expenses necessary or incident to determining the feasibility or practicability of the Project, administrative expenses and other obligations necessary to implement the Project; and such other expenses as may be necessary or incident to the financing authorized by this Supplemental and Amendatory Ordinance and the Sewer Act, the construction and 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, including with respect to the Series 1987 A Bonds and Series 1987 B Bond, any commitment fees to the Authority; provided, that reimbursement to the City for any amounts expended by it for allowable costs of the Project prior to the issuance of the Series 1987 A Bonds and Series 1987 B Bond, as the case may be, or the repayment of indebtedness incurred by the City for such purposes shall be deemed a Cost of the Project.

D. The City has received certain grants for the construction and acquisition of the Project, including a grant from the EPA in the approximate amount of \$1,863,538. The District has entered into a Step II/III grant agreement with the EPA, pursuant to which the EPA will reimburse the City for approximately seventy-five percent (75%) of the Cost of the Project incurred by the City which is eligible for reimbursement by EPA.

E. Other than the Prior Bonds described herein, the City does not have any bonds or other obligations outstanding or to be outstanding as of the date hereof which have a lien on the Net Revenues derived from the operation of the System.

The estimated Gross Revenues to be derived from the operation of the System in each year after the construction of the Project will be sufficient to pay all Operating Expenses and to pay the principal of and interest on the Bonds and all Sinking Fund, Reserve Account, Sewerage System Depreciation Fund and other payments provided for in the Prior Ordinance and this Supplemental and Amendatory Ordinance with respect to the Bonds.

F. The Authority has agreed to purchase the Series 1987 A Bonds and Series 1987 B Bond pursuant to the terms and provisions of the Loan Agreement and the Supplemental Loan Agreement.

G. It is in the best interests of the City that its Series 1987 A Bonds and Series 1987 B Bond be sold to the Authority pursuant to the Loan Agreement and the Supplemental Loan Agreement as soon after the adoption of this Supplemental and Amendatory Ordinance as may be practicable and authorized and permitted by applicable law.

H. The period of usefulness of the System after completion of the Project is not less than forty (40) years.

I. The City has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Series 1987 A Bonds and Series 1987 B Bond, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a Certificate of Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired.

Section 1.04. Supplemental and Amendatory Ordinance Constitutes Contract. In consideration of the acceptance of the Series 1987 A Bonds and Series 1987 B Bond by those who shall be the registered owners of the same from time to time, this Supplemental and Amendatory Ordinance shall be deemed to be and shall constitute a contract between the City and such holders of the Series 1987 A Bonds and Series 1987 B Bond, and the covenants and agreements herein set forth to be performed by the City shall be for the equal benefit, protection and security of the registered owners of any and all of such Series 1987 A Bonds and Series 1987 B Bond, all which shall be of equal rank and without preference, priority or distinction between any one bond of a series and any other bonds of the same series by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

## ARTICLE II

### AUTHORIZATION OF THE PROJECT; APPROVAL OF ACTIONS: APPROVAL AND EXECUTION OF DOCUMENTS

Section 2.01. Authorization of the Project. There is hereby authorized the construction and acquisition of the Project described in Exhibit A hereto.

Section 2.02. Approval of Application, Loan Agreement, Amended Application, and Supplemental Loan Agreement. The application for a construction loan to the Authority executed by an Authorized Officer of the City on February 2, 1987; the Loan Agreement, the amended application for a construction loan to the Authority, executed by an Authorized Officer of the City on February 2, 1987, and the Supplemental Loan Agreement are hereby approved. An Authorized Officer of the City and the City Clerk of the City are hereby authorized to execute the Loan Agreement and the Supplemental Agreement, and all other documents required to be executed by or on behalf of the City by the terms of the Loan Agreement or the Supplemental Loan Agreement. All stipulations, covenants and agreements contained in the Loan Agreement and the Supplemental Loan Agreement are incorporated herein and made a part hereof as fully as if herein set out in full.

Section 2.03. Approval of Actions. An Authorized Officer and the City Clerk of the City and the other officers of the City hereby are authorized and directed to execute any and all instruments and perform any and all acts as, in their discretion, may be necessary or advisable in effecting the purposes of this Supplemental and Amendatory Ordinance, the Loan Agreement, or the Supplemental Loan Agreement.

### ARTICLE III

#### BONDS

Section 3.01. Authorization of Series 1987 A Bond and Series 1987 B Bond. For the purposes of capitalizing interest on the Series 1987 A Bonds paying the Cost of the Project not otherwise provided for, funding the Series 1987 A Bonds Reserve Account and Series 1987 B Bond Reserve Account, and paying certain costs of issuance and related costs, there shall be issued negotiable bonds of the City, in an aggregate principal amount not to exceed \$900,000. The bonds shall be designated "Series 1987 A Bond" in the aggregate principal amount of not more than \$900,000 and "Series 1987 B Bond" in the aggregate principal amount of not more than \$900,000, and shall have such terms as set forth hereinafter, or in a Supplemental Resolution. The proceeds of the Series 1987 A Bonds and Series 1987 B Bond remaining, if any, after funding of the respective reserve accounts and capitalization of interest shall be deposited in the Bond Construction Trust Fund established by Section 4.02 hereof.

Section 3.02. Terms of the Series 1987 A Bond and Series 1987 B Bond. The Series 1987 A Bonds and Series 1987 B Bond shall bear interest, if any, at such rate or rates not exceeding the then legal maximum, payable semiannually on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the City shall prescribe in a Supplemental Resolution. The Series 1987 A Bonds shall be numbered consecutively upward beginning with Number 1. The Series 1987 A Bonds and Series 1987 B Bond shall be payable as to principal at the office of the Bond Commission, as 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 1987 A Bonds and Series 1987 B Bond shall be paid by check or draft of the Paying Agent mailed to the registered owner thereof at the address as it appears on the books of the Registrar, or by such other method as shall be mutually agreeable as long as the Authority is the holder thereof.

Section 3.03. Form of the Series 1987 A Bond and Series 1987 B Bond. The Series 1987 A Bonds shall be issued in substantially the form set forth as Exhibit B hereto, with such appropriate corrections, omissions and insertions as are permitted or required by this Supplemental and Amendatory Ordinance or any Supplemental Resolution and are deemed advisable by the City.

The Series 1987 B Bond shall be issued in substantially the form set forth as Exhibit C hereto, with such appropriate corrections, omissions and insertions as are permitted or required by this Supplemental and Amendatory Ordinance or any Supplemental Resolution and are deemed advisable by the City.

Section 3.04. Execution of Bonds. The Series 1987 A Bonds and Series 1987 B Bond shall be executed in the name of the City by the manual signature of an Authorized Officer thereof, and the seal of the City shall be affixed thereto or imprinted thereon and attested by the City Clerk by manual signature. In case any one or more of the persons who shall have signed or sealed any Series 1987 A Bonds and Series 1987 B Bond shall cease to hold such office before such Series 1987 A Bonds and Series 1987 B Bond so signed and sealed shall have been delivered, such Series 1987 A Bonds and Series 1987 B Bond nevertheless may be delivered as herein provided and may be issued as if such person had not ceased to hold such office. Any Series 1987 A Bonds and Series 1987 B Bond may be signed, sealed and attested on behalf of the City by such person who at the time of such actions shall hold the requisite office, regardless of whether such person shall have held such office on the date of such Series 1987 A Bonds and Series 1987 B Bond.

Section 3.05. Authentication and Registration. No Series 1987 A Bond and Series 1987 B Bond shall be valid or obligatory for any purpose or entitled to any security or benefit hereof unless and until the Certificate of Authentication on such Series 1987 A Bond and Series 1987 B Bond shall have been duly executed by the Registrar. Any Certificate of Authentication upon any Series 1987 A Bond and Series 1987 B Bond so executed shall be conclusive evidence that such Series 1987 A Bond and Series 1987 B Bond has been authenticated, registered and delivered under this Supplemental and Amendatory Ordinance. The Certificate of Authentication on any Series 1987 A Bond and Series 1987 B Bond shall be deemed to have been executed by the Registrar if signed by the manual signature of an authorized officer of the Registrar. It shall not be necessary that the same authorized officer sign the Certificate of Authentication on each Series 1987 A Bond and Series 1987 B Bond.

Section 3.06. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 1987 A Bonds and Series 1987 B 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 each Series 1987 A Bond or Series 1987 B Bond, shall be deemed conclusively to have agreed to the incontestability of the Series 1987 A Bonds and Series 1987 B Bond in the hands of a bona fide holder for value, subject to compliance by such holder with the registration provisions herein and therein provided.

As long as any of the Series 1987 A Bonds and Series 1987 B Bond remain outstanding, the Registrar shall keep and maintain the Register for the registration and transfer of any Series 1987 A Bonds and Series 1987 B Bond.

A Series 1987 A Bond or Series 1987 B Bond shall be transferable only by transfer of registration upon the Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Series 1987 A Bond or Series 1987 B Bond, there shall be issued another Series 1987 A Bond or Series 1987 B Bond (at the option of the transferee) of the same series, interest rate, if any, and maturity as the transferred Series 1987 A Bond or Series 1987 B Bond and of an aggregate principal amount equal to the unpaid principal amount of the transferred Series 1987 A Bond or Series 1987 B Bond.

In all cases in which the privilege of transferring or exchanging a Series 1987 A Bond or Series 1987 B Bond is exercised, a Series 1987 A Bond or Series 1987 B Bond shall be delivered in accordance with the provisions of this Supplemental and Amendatory Ordinance. Any Series 1987 A Bond or Series 1987 B Bond surrendered in any such transfer or exchange shall be cancelled forthwith by the Registrar. Any transfer of a Series 1987 A Bond or Series 1987 B Bond and any exchange of a Series 1987 A Bond or Series 1987 B Bond in the event of partial redemption shall be made by the Registrar without charge to the holder or the transferee thereof. For every transfer or exchange of a Series 1987 A Bond or Series 1987 B Bond, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange. The City shall pay such service charge, tax or other governmental charge. The Registrar shall not be obliged to make any such transfer or exchange of a Series 1987 A Bond or Series 1987 B Bond proposed to be redeemed after the selection of such bonds to be redeemed.

Section 3.07. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 1987 A Bond or Series 1987 B Bond shall become mutilated or be destroyed, stolen or lost, the City may execute, and the Registrar shall authenticate, register and deliver, a new Series 1987 A Bond or Series 1987 B Bond of like series, maturity and principal amount as the Series 1987 A Bond or Series 1987 B Bond so mutilated, destroyed, stolen or lost, either in exchange for and upon surrender and cancellation of, such mutilated Series 1987 A Bond or Series 1987 B Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, but only if the holder shall furnish the City and the Registrar with proof of his ownership thereof and that the Series 1987 A Bond or Series 1987 B Bond has been destroyed, stolen or lost and shall comply with such other reasonable regulations and conditions as the City or the Registrar may stipulate. The name of the holder listed in the Register shall constitute proof of ownership. Any Series 1987 A Bond and Series 1987 B Bond so surrendered shall be submitted to and cancelled by the Registrar, and evidence of such cancellation shall be given to the City. If any such Series 1987 A Bond or Series 1987 B Bond shall have matured or be about to mature, the City, by and through the Registrar, may pay the same without issuance of a substitute Series 1987 A Bond or Series 1987 B Bond therefor.

Section 3.08. Person Treated as Owners. The City, the Registrar and any agent of the City or the Registrar may treat the person in whose name any Series 1987 A Bond or Series 1987 B Bond is registered as the owner of such Series 1987 A

"Series 1987 B Bond Reserve Account Requirement" means the maximum amount of principal which will come due on the Series 1987 B Bond in the then current or any succeeding Fiscal Year.

"Series 1987 B Sinking Fund" means The City of Williamstown Sewerage System Series 1987 B Bond Sinking Fund created in the Sewerage System Sinking Fund by Section 4.01E hereof.

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

"Sewerage System Depreciation Fund" means the City of Williamstown Sewerage System Depreciation Fund created by Section 3.01 of the Prior Ordinance and Section 4.01C hereof.

"State" means the State of West Virginia.

"Supplemental Loan Agreement" means the supplemental loan agreement between the City and the Authority, pursuant to which the Authority has agreed to purchase the Series 1987 B Bond.

"Supplemental Resolution" means any resolution of the City amending or supplementing this Supplemental and Amendatory Ordinance.

"System" means the Project, in its entirety or any integral part thereof, and any improvements, extensions or betterments thereto hereafter constructed or acquired for the public services properties from any sources whatsoever, both within and without the City.

"Water Development Act" means Chapter 20, Article 5C, of the Code of West Virginia of 1931, as amended, and in effect on the date of adoption of this Supplemental and Amendatory Ordinance.

Additional terms and phrases are defined in this Supplemental and Amendatory 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 include the plural number in each case and vice versa; words importing the masculine gender include every other gender; and words importing persons include firms, partnerships, associations and corporations.

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

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

Section 1.02. Authority for this Supplemental and Amendatory Ordinance. This Supplemental and Amendatory Ordinance is adopted pursuant to the provisions of the Sewer Act, the Prior Ordinance, and other applicable provisions of law.

Section 1.03. Findings. The Council hereby finds and determines as follows:

A. The City of Williamstown is a municipal corporation and political subdivision of the State of West Virginia situated in Wood County of the State. The City of Williamstown owns and operates a municipal sewerage system and has heretofore financed the acquisition and construction of the System and certain additions, extensions and improvements to the System by issuance of several series of revenue bonds and refunding bonds, of which there is presently outstanding the City's Water and Sewer Revenue Refunding and Improvement Bonds, Series 1955, dated December 1, 1955 upon original issuance and issued in aggregate principal amount of \$320,000.00 pursuant to an Ordinance enacted by the Council of the City on October 18, 1955, which is to be refunded upon the issuance of the Prior Bonds and the Waterworks Refunding Revenue Bonds Series 1987 as authorized by the Prior Ordinance, to be issued concurrently with the Series 1987 A Bonds and Series 1987 B Bond.

B. The present sewage treatment facility of the City is inadequate and the existing sewage treatment plant cannot meet State and Federal regulatory requirements for secondary sewage treatment.

C. It is deemed necessary and desirable for the health, welfare and safety of the inhabitants of the City that the Project be constructed at an estimated cost of \$2,708,295. The Cost of the Project shall be deemed to include the construction of a secondary sewer treatment plant and the necessary appurtenances thereto to augment the City's present primary treatment capacity at Williamstown, Wood County, West Virginia. Expenses incurred will include, but not be limited to, the cost of all property, rights, easements and franchises deemed necessary or convenient therefor and for the

improvements determined upon as provided in the Sewer Act, interest upon the Series 1987 A Bonds prior to and during construction or acquisitions and six months after the completion of construction or acquisition of the Project, costs and expenses of the Authority related and incidental to the Project and the issuance of the Series 1987 A Bonds and the Series 1987 B Bond, engineering and legal expenses, expenses for estimates of costs and of revenues, expenses for plan specifications and surveys, expenses necessary or incident to determining the feasibility or practicability of the Project, administrative expenses and other obligations necessary to implement the Project; and such other expenses as may be necessary or incident to the financing authorized by this Supplemental and Amendatory Ordinance and the Sewer Act, the construction and 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, including with respect to the Series 1987 A Bonds and Series 1987 B Bond, any commitment fees to the Authority; provided, that reimbursement to the City for any amounts expended by it for allowable costs of the Project prior to the issuance of the Series 1987 A Bonds and Series 1987 B Bond, as the case may be, or the repayment of indebtedness incurred by the City for such purposes shall be deemed a Cost of the Project.

D. The City has received certain grants for the construction and acquisition of the Project, including a grant from the EPA in the approximate amount of \$1,863,538. The District has entered into a Step II/III grant agreement with the EPA, pursuant to which the EPA will reimburse the City for approximately seventy-five percent (75%) of the Cost of the Project incurred by the City which is eligible for reimbursement by EPA.

E. Other than the Prior Bonds described herein, the City does not have any bonds or other obligations outstanding or to be outstanding as of the date hereof which have a lien on the Net Revenues derived from the operation of the System.

The estimated Gross Revenues to be derived from the operation of the System in each year after the construction of the Project will be sufficient to pay all Operating Expenses and to pay the principal of and interest on the Bonds and all Sinking Fund, Reserve Account, Sewerage System Depreciation Fund and other payments provided for in the Prior Ordinance and this Supplemental and Amendatory Ordinance with respect to the Bonds.

F. The Authority has agreed to purchase the Series 1987 A Bonds and Series 1987 B Bond pursuant to the terms and provisions of the Loan Agreement and the Supplemental Loan Agreement.

G. It is in the best interests of the City that its Series 1987 A Bonds and Series 1987 B Bond be sold to the Authority pursuant to the Loan Agreement and the Supplemental Loan Agreement as soon after the adoption of this Supplemental and Amendatory Ordinance as may be practicable and authorized and permitted by applicable law.

H. The period of usefulness of the System after completion of the Project is not less than forty (40) years.

I. The City has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Series 1987 A Bonds and Series 1987 B Bond, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a Certificate of Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired.

Section 1.04. Supplemental and Amendatory Ordinance Constitutes Contract. In consideration of the acceptance of the Series 1987 A Bonds and Series 1987 B Bond by those who shall be the registered owners of the same from time to time, this Supplemental and Amendatory Ordinance shall be deemed to be and shall constitute a contract between the City and such holders of the Series 1987 A Bonds and Series 1987 B Bond, and the covenants and agreements herein set forth to be performed by the City shall be for the equal benefit, protection and security of the registered owners of any and all of such Series 1987 A Bonds and Series 1987 B Bond, all which shall be of equal rank and without preference, priority or distinction between any one bond of a series and any other bonds of the same series by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

## ARTICLE II

### AUTHORIZATION OF THE PROJECT; APPROVAL OF ACTIONS: APPROVAL AND EXECUTION OF DOCUMENTS

Section 2.01. Authorization of the Project. There is hereby authorized the construction and acquisition of the Project described in Exhibit A hereto.

Section 2.02. Approval of Application, Loan Agreement, Amended Application, and Supplemental Loan Agreement. The application for a construction loan to the Authority executed by an Authorized Officer of the City on February 2, 1987; the Loan Agreement, the amended application for a construction loan to the Authority, executed by an Authorized Officer of the City on February 2, 1987, and the Supplemental Loan Agreement are hereby approved. An Authorized Officer of the City and the City Clerk of the City are hereby authorized to execute the Loan Agreement and the Supplemental Agreement, and all other documents required to be executed by or on behalf of the City by the terms of the Loan Agreement or the Supplemental Loan Agreement. All stipulations, covenants and agreements contained in the Loan Agreement and the Supplemental Loan Agreement are incorporated herein and made a part hereof as fully as if herein set out in full.

Section 2.03. Approval of Actions. An Authorized Officer and the City Clerk of the City and the other officers of the City hereby are authorized and directed to execute any and all instruments and perform any and all acts as, in their discretion, may be necessary or advisable in effecting the purposes of this Supplemental and Amendatory Ordinance, the Loan Agreement, or the Supplemental Loan Agreement.

### ARTICLE III

#### BONDS

Section 3.01. Authorization of Series 1987 A Bond and Series 1987 B Bond. For the purposes of capitalizing interest on the Series 1987 A Bonds paying the Cost of the Project not otherwise provided for, funding the Series 1987 A Bonds Reserve Account and Series 1987 B Bond Reserve Account, and paying certain costs of issuance and related costs, there shall be issued negotiable bonds of the City, in an aggregate principal amount not to exceed \$900,000. The bonds shall be designated "Series 1987 A Bond" in the aggregate principal amount of not more than \$900,000 and "Series 1987 B Bond" in the aggregate principal amount of not more than \$900,000, and shall have such terms as set forth hereinafter, or in a Supplemental Resolution. The proceeds of the Series 1987 A Bonds and Series 1987 B Bond remaining, if any, after funding of the respective reserve accounts and capitalization of interest shall be deposited in the Bond Construction Trust Fund established by Section 4.02 hereof.

Section 3.02. Terms of the Series 1987 A Bond and Series 1987 B Bond. The Series 1987 A Bonds and Series 1987 B Bond shall bear interest, if any, at such rate or rates not exceeding the then legal maximum, payable semiannually on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the City shall prescribe in a Supplemental Resolution. The Series 1987 A Bonds shall be numbered consecutively upward beginning with Number 1. The Series 1987 A Bonds and Series 1987 B Bond shall be payable as to principal at the office of the Bond Commission, as 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 1987 A Bonds and Series 1987 B Bond shall be paid by check or draft of the Paying Agent mailed to the registered owner thereof at the address as it appears on the books of the Registrar, or by such other method as shall be mutually agreeable as long as the Authority is the holder thereof.

Section 3.03. Form of the Series 1987 A Bond and Series 1987 B Bond. The Series 1987 A Bonds shall be issued in substantially the form set forth as Exhibit B hereto, with such appropriate corrections, omissions and insertions as are permitted or required by this Supplemental and Amendatory Ordinance or any Supplemental Resolution and are deemed advisable by the City.

The Series 1987 B Bond shall be issued in substantially the form set forth as Exhibit C hereto, with such appropriate corrections, omissions and insertions as are permitted or required by this Supplemental and Amendatory Ordinance or any Supplemental Resolution and are deemed advisable by the City.

Section 3.04. Execution of Bonds. The Series 1987 A Bonds and Series 1987 B Bond shall be executed in the name of the City by the manual signature of an Authorized Officer thereof, and the seal of the City shall be affixed thereto or imprinted thereon and attested by the City Clerk by manual signature. In case any one or more of the persons who shall have signed or sealed any Series 1987 A Bonds and Series 1987 B Bond shall cease to hold such office before such Series 1987 A Bonds and Series 1987 B Bond so signed and sealed shall have been delivered, such Series 1987 A Bonds and Series 1987 B Bond nevertheless may be delivered as herein provided and may be issued as if such person had not ceased to hold such office. Any Series 1987 A Bonds and Series 1987 B Bond may be signed, sealed and attested on behalf of the City by such person who at the time of such actions shall hold the requisite office, regardless of whether such person shall have held such office on the date of such Series 1987 A Bonds and Series 1987 B Bond.

Section 3.05. Authentication and Registration. No Series 1987 A Bond and Series 1987 B Bond shall be valid or obligatory for any purpose or entitled to any security or benefit hereof unless and until the Certificate of Authentication on such Series 1987 A Bond and Series 1987 B Bond shall have been duly executed by the Registrar. Any Certificate of Authentication upon any Series 1987 A Bond and Series 1987 B Bond so executed shall be conclusive evidence that such Series 1987 A Bond and Series 1987 B Bond has been authenticated, registered and delivered under this Supplemental and Amendatory Ordinance. The Certificate of Authentication on any Series 1987 A Bond and Series 1987 B Bond shall be deemed to have been executed by the Registrar if signed by the manual signature of an authorized officer of the Registrar. It shall not be necessary that the same authorized officer sign the Certificate of Authentication on each Series 1987 A Bond and Series 1987 B Bond.

Section 3.06. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 1987 A Bonds and Series 1987 B 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 each Series 1987 A Bond or Series 1987 B Bond, shall be deemed conclusively to have agreed to the incontestability of the Series 1987 A Bonds and Series 1987 B Bond in the hands of a bona fide holder for value, subject to compliance by such holder with the registration provisions herein and therein provided.

As long as any of the Series 1987 A Bonds and Series 1987 B Bond remain outstanding, the Registrar shall keep and maintain the Register for the registration and transfer of any Series 1987 A Bonds and Series 1987 B Bond.

A Series 1987 A Bond or Series 1987 B Bond shall be transferable only by transfer of registration upon the Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Series 1987 A Bond or Series 1987 B Bond, there shall be issued another Series 1987 A Bond or Series 1987 B Bond (at the option of the transferee) of the same series, interest rate, if any, and maturity as the transferred Series 1987 A Bond or Series 1987 B Bond and of an aggregate principal amount equal to the unpaid principal amount of the transferred Series 1987 A Bond or Series 1987 B Bond.

In all cases in which the privilege of transferring or exchanging a Series 1987 A Bond or Series 1987 B Bond is exercised, a Series 1987 A Bond or Series 1987 B Bond shall be delivered in accordance with the provisions of this Supplemental and Amendatory Ordinance. Any Series 1987 A Bond or Series 1987 B Bond surrendered in any such transfer or exchange shall be cancelled forthwith by the Registrar. Any transfer of a Series 1987 A Bond or Series 1987 B Bond and any exchange of a Series 1987 A Bond or Series 1987 B Bond in the event of partial redemption shall be made by the Registrar without charge to the holder or the transferee thereof. For every transfer or exchange of a Series 1987 A Bond or Series 1987 B Bond, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange. The City shall pay such service charge, tax or other governmental charge. The Registrar shall not be obliged to make any such transfer or exchange of a Series 1987 A Bond or Series 1987 B Bond proposed to be redeemed after the selection of such bonds to be redeemed.

Section 3.07. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 1987 A Bond or Series 1987 B Bond shall become mutilated or be destroyed, stolen or lost, the City may execute, and the Registrar shall authenticate, register and deliver, a new Series 1987 A Bond or Series 1987 B Bond of like series, maturity and principal amount as the Series 1987 A Bond or Series 1987 B Bond so mutilated, destroyed, stolen or lost, either in exchange for and upon surrender and cancellation of, such mutilated Series 1987 A Bond or Series 1987 B Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, but only if the holder shall furnish the City and the Registrar with proof of his ownership thereof and that the Series 1987 A Bond or Series 1987 B Bond has been destroyed, stolen or lost and shall comply with such other reasonable regulations and conditions as the City or the Registrar may stipulate. The name of the holder listed in the Register shall constitute proof of ownership. Any Series 1987 A Bond and Series 1987 B Bond so surrendered shall be submitted to and cancelled by the Registrar, and evidence of such cancellation shall be given to the City. If any such Series 1987 A Bond or Series 1987 B Bond shall have matured or be about to mature, the City, by and through the Registrar, may pay the same without issuance of a substitute Series 1987 A Bond or Series 1987 B Bond therefor.

Section 3.08. Person Treated as Owners. The City, the Registrar and any agent of the City or the Registrar may treat the person in whose name any Series 1987 A Bond or Series 1987 B Bond is registered as the owner of such Series 1987 A

Bond or Series 1987 B Bond for the purpose of receiving payment of the principal of and interest, if any, on such Series 1987 A Bond or Series 1987 B Bond, and for all other purposes, whether or not such Series 1987 A Bond or Series 1987 B Bond is overdue.

Section 3.09. Delivery of the Series 1987 A Bond and the Series 1987 B Bond. The City shall execute and deliver to the Registrar, and the Registrar shall authenticate, register and deliver to the Authority the Series 1987 A Bonds and the Series 1987 B Bond, upon payment therefor and receipt of the documents set forth below:

A. A request and authorization to the Registrar on behalf of the City, signed by an Authorized Officer, to authenticate and deliver to the Authority the Series 1987 A Bonds and the Series 1987 B Bond; and

B. The unqualified approving opinion of bond counsel designated by the City and acceptable to the Authority.

Section 3.10. Application of Proceeds of Series 1987 A Bond and Series 1987 B Bond. The proceeds received from the sale of the Series 1987 A Bonds and Series 1987 B Bond shall be used to fund the Bonds Capitalized Interest Account, Series 1987 A Bonds and Series 1987 B Bond Reserve Accounts and to repay the Authority any interim loans advanced to the City, and any remaining proceeds shall be deposited in the Bond Construction Trust Fund and applied to the payment of the Cost of the Project, including the costs of issuance of the Series 1987 A Bonds and Series 1987 B Bond, and the holders of the Series 1987 A Bonds and Series 1987 B Bond shall have a lien upon the proceeds until such proceeds are applied in the manner herein described.

#### ARTICLE IV

#### SERIES 1987 A BOND AND SERIES 1987 B BOND PROCEEDS; REVENUES; FUNDS; AND ACCOUNTS

#### Section 4.01. Revenues; Funds and Accounts.

A. The Gross Revenues from the operation of the System shall be deposited upon receipt in the Depository Bank in the Sewerage System Revenue Fund, established by the Prior Ordinance. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinance and in this

Supplemental and Amendatory Ordinance and shall be kept separate and distinct from all other funds of the Depository Bank or of the City and used solely for the purposes and in the manner provided in the Prior Ordinance and herein. All revenues on deposit in the Revenue Fund shall first each month be used to pay all reasonable Operating Expenses of the System. Thereafter, disbursements shall be made from the Revenue Fund in the order and priority set forth in Section 3.03 B of the Prior Ordinance and in Subsections B, C, D and E of this Section 4.01 and shall be used only for the purposes and in the manner therein and herein provided.

B. (1) On the first day of each month, beginning on the first day of that month which is seven months prior to the first interest payment date on which interest on the Series 1987 A Bonds is to be paid from Revenues, the City shall apportion and set apart out of the Revenue Fund and remit to the Bond Commission for deposit in a sub account within the Sewerage System Sinking Fund which sub account is hereby created and established with the Bond Commission, to be designated the "Series 1987 A Sinking Fund" a sum equal to one-sixth of the amount of interest which will become due on the Series 1987 A Bonds on the next ensuing semiannual interest payment date; provided, that "next ensuing semiannual interest payment date" shall not refer to the interest payment date on which any such deposit is made. The last monthly deposit to be made in each six-month period to pay interest on the next ensuing semiannual interest payment date may be reduced to the extent that deposits made for the five preceding months, together with any other moneys on deposit in the Series 1987 A Sinking Fund for the payment of interest would be sufficient with such reduced monthly deposit to make the next ensuing semiannual interest payment. All remittances of funds from the Revenue Fund to the Series 1987 A Sinking Fund pursuant to this Section shall be made on a parity basis with all remittances of funds to the Sewerage System Sinking Fund pursuant to Section 3.03 B(2)(a) of the Prior Ordinance and no payments required under either such Section of the Prior Ordinance or this Section shall have any preference or priority over the other.

(2) On the first day of each month, beginning on the first day of that month which is 13 months prior to the first principal payment date of the Series 1987 A Bonds, the City shall apportion and set apart out of the Revenue Fund and remit to the Bond Commission for deposit in the Series A Sinking Fund, a sum equal to one-twelfth of the amount of principal which will mature and become due on the Series 1987 A Bonds on the next ensuing principal payment date; provided, that "next ensuing principal payment date" shall not refer to the

principal payment date on which any such deposit is made. The last monthly deposit to be made in each twelve-month period to pay principal on the next ensuing annual principal payment date may be reduced to the extent that deposits made for the eleven preceding months, together with any other moneys on deposit in the Series 1987 A Sinking Fund for the payment of principal, would be sufficient with such reduced monthly deposit to make the next ensuing annual principal payment. All remittances of funds from the Revenue Fund to the Series 1987 A Sinking Fund pursuant to this Section shall be made on a parity basis with all remittances of funds to the Sewerage System Sinking Fund pursuant to Section 3.03 B(2)(b) of the Prior Ordinance and no payments required under either such Section of the Prior Ordinance or this Section shall have any preference or priority over the other. So long as there is on deposit in the Series 1987 A Bond Reserve Account an amount equal to the Series 1987 A Bond Reserve Requirement, the Bond Commission shall transfer to the City and deposit in the Revenue Fund for payment into the Series 1987 A Sinking Fund semi-annually all investment earnings on the Series 1987A Bond Reserve Account.

(3) Unless the City has funded the Series 1987 A Bonds Reserve Account with Bond proceeds, the City shall next, from the Revenue Fund, remit to the Bond Commission for deposit in an account to be designated the "Series 1987 A Bonds Reserve Account," which is hereby created and established in the Series 1987 A Sinking Fund, on the first day of each month of each year, beginning with and including the month in which the payments required by Section 4.01 B (2) are commenced, an amount equal to 1/12th of 1/10th of the Series 1987 A Bonds Reserve Account Requirement; provided that no further payments shall be made into the Series 1987 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 1987 A Bonds Reserve Account Requirement. All remittances of funds from the Revenue Fund to the Series 1987 A Sinking Fund pursuant to this Section shall be made on a parity basis with all remittances of funds to the Sewerage System Sinking Fund pursuant to Section 3.03B(2)(6) of the Prior Ordinance and no payments required under either such Section shall have any preference or priority over the other.

Moneys in the Series 1987 A Bonds Reserve Account shall be used only for the purpose of paying principal of or interest on the Series 1987 A Bonds, as the same shall come due, when other moneys in the Series 1987 A Sinking Fund are insufficient therefor, and for no other purpose.

C. On the first day of each month, beginning with the first month in which interest shall be payable from the Revenue Fund, the City shall apportion and set apart out of the Revenue Fund and transfer to the Depository Bank, for deposit in the Sewerage System Depreciation Fund, a sum equal to 2-1/2% of Gross Revenues, less any amount transferred to the Series 1987 A Bonds Reserve Account received during the previous month. All funds in the Sewerage System Depreciation Fund shall be kept separate and distinct from all other funds of the City and the Depository Bank.

Withdrawals and disbursements from the Sewerage System Depreciation Fund shall be made by the City only for the following purposes and in the following order of priority:

(1) For the payment of the then payable principal of, premium, if any, and interest on the Prior Bonds and the Series 1987 A Bonds if there are not sufficient funds therefor in the Sewerage System Sinking Fund and the Series 1987 A Sinking Fund (including the Sewerage System Reserve Account and the Series 1987 A Bonds Reserve Account);

(2) To make up any deficiency in the Sewerage System Reserve Account and the Series 1987 A Bonds Reserve Account (so that the amount on deposit therein are at least equal to the Sewerage System Reserve Account Requirement and the Series 1987 A Bonds Reserve Account Requirement), subject to the provisions of the Prior Ordinance and Section 4.01 hereof; and

(3) For the payment of the reasonable costs of replacements, emergency repairs, improvements or extensions to the System;

D. The City shall restore any withdrawals from the Sewerage System Reserve Account and the Series 1987 A Bonds Reserve Account which have the effect of reducing the value of the funds therein below the Sewerage System Reserve Account Requirement and the Series 1987 A Bonds Reserve Account Requirement, first from moneys then remaining in the Revenue Fund and next from funds deposited in the Sewerage System Depreciation Fund and then from the first Net Revenues available after all required deposits to the Sewerage System Sinking Fund and the Series 1987 A Sinking Fund therein, including deposits in respect of deficiencies for prior deposits, have been made in full; provided, that the City shall not be required to restore any withdrawal when the sum in the Sewerage System Sinking Fund and the Series 1987 A Sinking Fund therein, and all accounts therein of cash, Government Obligations and interest to be earned on such Government Obligations, without reinvestment, is at least equal to the

principal amount of the Prior Bonds and the Series 1987 A Bonds then outstanding plus the amount of interest due or thereafter to become due thereon.

E. (1) On the first day of each month, beginning on the first day of that month which is 13 months prior to the first principal payment date of the Series 1987 B Bond, the City shall apportion and set apart out of the Revenue Fund and remit to the Bond Commission for deposit in a subaccount in the Sewerage System Sinking Fund an account to be designated the "Series 1987 B Sinking Fund" which is hereby created and established with the Bond Commission, a sum equal to one-twelfth of the amount of principal which will mature and become due on the Series 1987 B Bond on the next ensuing principal payment date; provided, that "next ensuing principal payment date" shall not refer to the principal payment date on which any such deposit is made. The last monthly deposit to be made in each twelve-month period to pay principal on the next ensuing annual principal payment date may be reduced to the extent that deposits made for the eleven preceding months, together with any other moneys on deposit in the Series 1987 B Sinking Fund for the payment of principal, would be sufficient with such reduced monthly deposit to make the next ensuing annual principal payment.

(2) Unless the City has funded the Series 1987 B Bond Reserve Account with Bond proceeds, the City shall next, from the Revenue Fund, remit to the Bond Commission for deposit in an account to be designated the "Series 1987 B Bond Reserve Account," which is hereby created and established in the Series 1987 B Sinking Fund, on the first day of each month of each year, beginning with and including the month in which the payments required by Section 4.01 E (1) are commenced, an amount equal to 1/12th of 1/10th of the Series 1987 B Bond Reserve Account Requirement; provided that no further payments shall be made into the Series 1987 B Bond 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 B Bond Reserve Account Requirement. So long as there is on deposit in the Series 1987 A Bond Reserve Account an amount equal to the Series 1987 A Bond Reserve Requirement, the Bond Commission shall transfer to the City and deposit in the Revenue Fund for payment into the Series 1987 A Sinking Fund semi-annually all investment earnings on the Series 1987 A Bond Reserve Account.

Moneys in the Series 1987 B Bond Reserve Account shall be used only for the purpose of paying the principal of the Series 1987 B Bond as the same shall become due, when other moneys in the Series 1987 B Sinking Fund are insufficient therefor, and for no other purpose.

Any withdrawals from the Series 1987 B Bond Reserve Account shall be subsequently restored from the first Net Revenues available after all required payments to the Sewerage System Sinking Fund, including all required payments to the Series 1987 A Sinking Fund, the Sewerage System Reserve Account and the Series 1987 A Bonds Reserve Account therein, Sewerage System Depreciation Fund, Series 1987 B Sinking Fund, including any deficiencies for prior payments, have been made in full.

F. On such dates as the Bond Commission shall require, the City shall remit to the Bond Commission such additional sums from the Revenue Fund as shall be necessary to pay the fiscal agency charges due for paying the Prior Bonds and the Series 1987 A Bonds and the interest thereon and the Series 1987 B Bond.

Pending such application, moneys in the Revenue Fund shall be invested in accordance with Article VI hereof.

Moneys on deposit in the Series 1987 A Sinking Fund shall be used only for the purposes of paying the principal of and the interest on the Series 1987 A Bonds, as the same shall become due. Moneys on deposit in the Series 1987 B Sinking Fund shall be used only for the purpose of paying principal of the Series 1987 B Bond as the same shall become due.

The City shall not be required to make further deposits into the Sewerage System Sinking Fund, including the Series 1987 A Sinking Fund, the Sewerage System Reserve Account and the Series 1987 A Bonds Reserve Account therein, and the Series 1987 B Sinking Fund and the Series 1987 B Bond Reserve Account therein when the sums of cash, Government Obligations and interest to be earned on such Government Obligations, without reinvestment, in the Sewerage System Sinking Fund, the Series 1987 A Sinking Fund and the Series 1987 B Sinking Fund and Reserve Accounts therein are at least equal to the respective principal amounts of the Prior Bonds, the Series 1987 A Bonds and Series 1987 B Bond then outstanding plus the amount of any interest due or thereafter to become due thereon.

As and when additional bonds are issued, provision shall be made for additional deposits into the respective Sinking Funds sufficient to pay the interest on such additional Bonds and accomplish retirement thereof at or before maturity.

Deposits into the respective Sinking Funds shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such deposit shall be made on the next succeeding business day. All such deposits shall be remitted to the Bond

Commission with appropriate instructions, consistent with the provisions of this Supplemental and Amendatory Ordinance, as to the custody, use and application of the funds deposited.

G. Whenever all the required transfers and deposits from the Revenue Fund have been made and there remains on deposit in the Revenue fund an amount exceeding the amount estimated to be required to be paid for Operating Expenses during the then current Fiscal Year and the next ensuing Fiscal Year, as determined by resolution of the Sanitary Board, such excess may be transferred to the Sewerage System Depreciation Fund or used for any lawful purpose of the System, including payment on other obligations junior, subordinate and inferior to the Prior Bonds, the Series 1987 A Bonds and the Series 1987 B Bond, as directed by the Sanitary Board.

H. If on any payment date Net Revenues are insufficient to make the transfers and deposits hereinabove provided, the deficient transfer or deposit shall be corrected on the next ensuing payment date by payments in addition to the payments otherwise required to be made on such payment date.

I. The Bond Commission hereby is designated as the fiscal agent for the administration of the respective Sinking Funds. All amounts to be deposited into the respective Sinking Funds shall be remitted by the City to the Bond Commission, as provided herein. All such remittances shall identify clearly the fund or account into which such remittance is to be deposited.

J. Funds on deposit in the Revenue Fund, excess proceeds of the Series 1987 A Bonds and Series 1987 B Bond and the Sewerage System Depreciation Fund in excess of the amount insured by the FDIC shall be secured at all times to the full extent of such excess by such Qualified Investments as are eligible under the laws of the State to secure deposits of municipal funds.

K. Gross Revenues will be used only for the lawful purposes of the System.

Section 4.02. Bond Construction Trust Fund. There is hereby created and established with the Depository Bank a special fund, to be designated the "City of Williamstown Project Bond Construction Trust Fund," which fund shall be segregated from all other funds and accounts of the Depository Bank or the City and used solely for the purposes provided herein.

Disbursements from the Bond Construction Trust Fund, except for the costs of issuance of the Series 1987 A Bonds and Series 1987 B Bond which shall be made upon request of the City, shall be made only after submission to the Depository Bank of a certificate, signed by an Authorized Officer 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 disbursement 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.

No moneys shall be disbursed from the Bond Construction Trust Fund except to pay the Cost of the Project. Withdrawals from the Construction Fund, except for legal, fiscal expenses and expenses in connection with the issuance and sale of the Series 1987 A Bonds and Series 1987 B Bond, shall be made only after submission to the Depository Bank of a certificate, signed by the Consulting Engineers and an Authorized Officer of the City, stating that such costs have been properly incurred, that such costs are part of the Cost of the Project, and that payment is then due and owing.

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

The Bond Construction Trust Fund shall constitute a trust fund for the purposes described above, and there is hereby created a lien upon such moneys until so applied first in favor of the holders of the Series 1987 A Bonds, without preference or priority of one over the other and second in favor of the holders of the Series 1987 B Bond.

After completion of the Project, as certified by the Consulting Engineers, any moneys remaining in the Bond Construction Trust Fund shall be applied to (i) the Series 1987 A Bonds Reserve Account, up to the amount of the Series 1987 A Bonds Reserve Account Requirement, (ii) the Series 1987 B Bond Reserve Account up to the amount of the Series 1987 B Bond Reserve Account Requirement, and (iii) any remaining amount to the Revenue Fund with the City to apply such moneys in full first, to the next ensuing interest payments due on the Series 1987 A Bonds, second, to the next ensuing principal payment due on the Series 1987 A Bonds, and, third, to the next ensuing principal payment on the Series 1987 B Bond.

Section 4.03. Tap Fee Account. All proceeds from any Tap fees imposed and collected by the City shall be deposited in a special account, to be designated the "City of Williamstown Project Tap Fee Account" (the "Tap Fee Account"), which is hereby created and established in the Bond Construction Trust Fund. The City shall pay promptly out of the Tap Fee Account the costs of connection to the System. Any amounts remaining in the Tap Fee Account after connections have been made for all customers who paid such Tap Fees shall be considered excess and shall be transferred by the Depository Bank to the Bond Construction Trust Fund and used for authorized purposes thereof for as long as such Construction Fund remains in existence, and thereafter to the Revenue Fund.

Section 4.04. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of any or all of the Series 1987 A Bonds and Series 1987 B Bond, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1987 A Bonds, there shall be deposited with the Bond Commission in the Series 1987 A Bonds Sinking Fund, the amount, if any, specified in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1987 A Bonds for the period commencing on the date of issuance of the Bond and ending six (6) months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1987 A Bonds, there shall be deposited with the Bond Commission in the Series 1987 A Bonds Reserve Account and from the proceeds of the Series 1987 B Bond there shall be deposited with the Bond Commission in the Series 1987 B Bond Reserve Account the respective sums, if any, set forth in the Supplemental Resolution for funding of the Reserve Accounts.

C. The remaining moneys derived from the sale of the Series 1987 A Bonds and Series 1987 B Bond shall be deposited with the Depository Bank in the Bond Construction Trust Fund and applied solely to payment of the Cost of the Project in the manner set forth in Section 4.02 above.

D. The Depository Bank shall act as a trustee and fiduciary for the holder of the Series 1987 A Bonds and Series 1987 B Bond 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 Supplemental and Amendatory Ordinance. Moneys in the Bond Construction Trust Fund shall be used solely to pay the Cost of the Project and until so expended, are hereby pledged as additional security for the Series 1987 A Bonds, and thereafter for the Series 1987 B Bond. In the event that Notes are issued, the disposition of funds in the Bond Construction Trust Fund may be modified from that set forth herein, with the written consent of the Authority.

## ARTICLE V

### ADDITIONAL COVENANTS OF THE CITY

Section 5.01. General Covenants of the City. All covenants, agreements and provisions of this Supplemental and Amendatory Ordinance shall be and constitute valid and legally binding covenants of the City and shall be enforceable in any court of competent jurisdiction by any holder or holders of the Series 1987 A Bonds and the Series 1987 B Bond, as prescribed by Article VII hereof. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, for as long as the Series 1987 A Bonds and the Series 1987 B Bond remain outstanding.

Section 5.02. Series 1987 A Bonds and Series 1987 B Bond not to be Indebtedness of the City. The Series 1987 A Bonds and Series 1987 B Bond shall not be a corporate indebtedness of the City within the meaning of any statutory or

constitutional limitation but shall be payable solely from Sewerage System Net Revenues, the funds in the Sewerage System Sinking Fund and all accounts therein and from funds in the Sewerage System Depreciation Fund, and as to any series of Bonds, from the unexpended proceeds derived from the sale of that series. No Holder or Holders of any of the Series 1987 A Bonds or the Series 1987 B Bond shall ever have the right to compel the exercise of the taxing power of the City to pay the principal of, premium, if any, or interest on the Series 1987 A Bonds or the Series 1987 B Bond.

Section 5.03. Series 1987 A Bonds and Series 1987 B Bond Secured by Pledge of Net Revenues, Funds and Unexpended Bond Proceeds. The payment of the debt service of the Series 1987 A Bonds issued hereunder shall be secured forthwith by a first lien on and pledge of the Net Revenues on a parity with the Prior Bonds and any other parity bonds hereafter issued and outstanding under the Prior Ordinance or this Supplemental and Amendatory Ordinance. The payment of the debt service of the Series 1987 B Bond issued hereunder shall be secured forthwith by a second lien on and pledge of the Net Revenues. Net Revenues in an amount sufficient to pay the principal of, premium, if any, and interest on first, the Prior Bonds and the Series 1987 A Bonds, equally and without priority of one over the other, and second, the Series 1987 B Bond, and to make the deposits into the respective Sinking Funds and all other payments provided for in this Supplemental and Amendatory Ordinance, and the funds on deposit in the respective Sinking Funds and the Sewerage System Depreciation Fund, are pledged irrevocably hereby in the manner provided in this Supplemental and Amendatory Ordinance to the payment of the principal of, premium, if any, and interest on first, the Prior Bonds and Series 1987 A Bonds, equally and without priority of one over the other, and second, the Series 1987 B Bond, as the same becomes due and for the other purposes provided in this Supplemental and Amendatory Ordinance. The City hereby pledges the unexpended proceeds, if any, of the Series 1987 A Bonds and Series 1987 B Bond as additional security for payment of the principal of, premium, if any, and interest on first, the Series 1987 A Bonds, and second the Series 1987 B Bond, until expended in accordance with the provisions of this Supplemental and Amendatory Ordinance.

Section 5.04. Rates. The City hereby covenants and agrees that as long as either the Series 1987 A Bonds or the Series 1987 B Bond is outstanding it will fix, establish and collect System rates and charges which always shall provide Net Revenues along with other revenues of the System, after paying all Operating Expenses, equal to not less than one hundred fifteen percent (115%) of the maximum annual amount required to

pay the interest and principal as the same become due and accomplish retirement of all Bonds, or other obligations for the payment of which Net Revenues have or shall have been pledged, charged or otherwise encumbered provided, however, that as long as there is on deposit in (i) the Sewerage System Reserve Account in the Sewerage System Sinking Fund established by Section 3.03 B of the Prior Ordinance, an amount equal to the Sewerage System Reserve Account Requirement, (ii) the Series 1987 A Bonds Reserve Account in the Series A Sinking Fund established by Section 4.01B of this Supplemental and Amendatory Ordinance an amount equal to the Series 1987 A Bonds Reserve Account Requirement, (iii) the Series 1987 B Bond Reserve Account in the Series B Sinking Fund established by Section 4.01E of this Supplemental and Amendatory Ordinance an amount equal to the Series 1987 B Bond Reserve Account Requirement, and (iv) any other reserve account requirements, the foregoing percentage may be adjusted by the City to one hundred ten percent (110%).

Section 5.05. Completion, Operation and Maintenance, Right of Access. The City will expeditiously complete the Project and will provide and maintain competent and adequate resident engineering services satisfactory to the City and the Authority for the supervision and inspection of the construction of the Project, and bearing the responsibility of assuring the construction conforms to the Plans and Specifications and shall require its resident engineer to certify to the Authority and the City at the completion of construction that construction is in accordance with the Plans and Specifications. Upon completion of the construction, the City will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner in compliance with the water quality standards established by the West Virginia Department of Natural Resources and the EPA, as well as all other State and Federal laws, regulations, orders, and standards, with qualified operating personnel properly certified, making expenditures for equipment and for the economical operation and maintenance thereof from Gross Revenues as provided in this Supplemental and Amendatory Ordinance. As long as the Authority shall hold the Series 1987 A Bonds or the Series 1987 B Bond, the Authority, the EPA and their duly authorized agents shall have the right at all reasonable times to enter upon the System to examine and inspect the same and shall, prior to, at and after completion of construction and commencement of operation of the Project, have such rights of access to the System as may be reasonably necessary to accomplish all of the powers and rights of the Authority in respect of the System pursuant to the pertinent provisions of the Water Development Act.

Section 5.06. Issuance of Other Obligations Payable out of Sewerage System Net Revenues and General Covenant Against Encumbrances. The City shall not issue any other obligations payable from Net Revenues, which as to lien, security and source of payment rank prior or equal to the Prior Bonds and Series 1987 A Bonds. The City shall not issue any other obligations payable from Net Revenues, which as to lien, security and source of payment, rank prior or equal to the Series 1987 B Bond, except additional parity Sewerage System Bonds as provided in Section 5.06 hereof which shall only be issued if Net Revenues of the System prior to issuance of the parity Sewerage System 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 Bonds and parity bonds theretofore and then being issued and on obligations secured by or payable from the revenues of the System prior to the Bonds, if any, provided, however, that additional parity bonds may be issued to complete the Project, as provided in Section 5.06 hereof.

All obligations issued by the City after the issuance of the Bonds and payable from the Net Revenues of the System, except such additional parity bonds provided for by section 5.06, 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 Prior Bonds, the Series 1987 A Bonds and the series 1987 B Bond; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the respective Reserve Accounts and the Sewerage System Depreciation Fund at the time of the issuance of such subordinate obligations have been made and are current.

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

Section 5.07. Additional Bonds on a Parity with the Series 1987 B Bond. No additional bonds shall be issued after the issuance of the Series 1987 B Bond as long as the Series 1987 B Bond is outstanding, except with the written consent of the holder of the Series 1987 B Bond, payable from Net Revenues on a parity with the Series 1987 B Bond.

The term "additional parity bonds," as used in this Section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on Net Revenues is subject and junior to the prior and superior lien thereon of the Series 1987 B Bond.

Anything to the contrary in this Section notwithstanding, the City, with the consent of the Authority, may issue additional parity bonds if required to complete the Project, according to the Plans and Specifications as described in the application filed with the Authority, without meeting the foregoing requirements.

Section 5.08. Construction and Fidelity Bonds; Workers' Compensation. The City will provide and maintain or, will require each contractor dealing directly with the City to provide and maintain: (i) Workers' Compensation coverage, (ii) public liability insurance; (iii) property damage insurance; (iv) vehicular liability insurance, all in amounts and on terms satisfactory to the City and the Authority and (v) performance and payment bonds in amounts of not less than 100% of the construction contracts. The City shall file such payment bonds with the Clerk of the County Commission of Wood County prior to the commencement of construction of the Project in compliance with Chapter 38, Article 2, Section 29 of the Code of West Virginia of 1931, as amended. The City will maintain in force Workers' Compensation coverage for employees of the City, and will obtain for and maintain in force for every officer or employee of the City having custody of any funds of the System fidelity bonds in an amount at least equal to the total amount of funds in the custody of such officer or employee at any one time. 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 shall be obtained by the City before the Bonds are issued, and maintained as long as any of the Bonds is outstanding. Prior to commencing operation of the Project, the City will also obtain, and maintain as long as any of the Bonds is outstanding, business interruption insurance, if available at a reasonable cost.

Section 5.09. Redemption of Bonds Held by Authority. As long as the Authority is the owner of any of the Series 1987 A Bonds and Series 1987 B Bond outstanding, the City shall not redeem any Series 1987 A Bonds and Series 1987 B Bond outstanding without the written consent of the Authority, and any such redemption of a Series 1987 A Bond and Series 1987 B Bond authorized by the Authority shall provide for the payment of interest to the first allowable redemption date for the

applicable water development revenue bonds, the redemption premium payable on the applicable water development revenue bonds redeemable as a consequence of such redemption of Series 1987 A Bonds and Series 1987 B Bond and the costs and expenses of the Authority in effecting any such redemption, all as further prescribed by Section 9.11 of the General Resolution.

Section 5.10. Payment of Program Expenses. As long as the Series 1987 A Bonds and Series 1987 B Bond are held by the Authority, the City agrees to pay from time to time, as required by the Authority, the City's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be as determined by the Authority and shall include without limitation Program expenses and fees paid to the trustee and paying agents for the water development revenue bonds. The City hereby specifically authorizes the Authority to exercise the powers granted it by Section 9.06 of the General Resolution.

In the event the City defaults in the payment of any fees due to the Authority pursuant to this section, the amount of such default shall bear interest at the rate of 8.375% per annum, from the date of default until the date of the payment thereof.

Section 5.11. Authority Rights on Default. As long as the Authority shall hold the Series 1987 A Bonds or the Series 1987 B Bond, the City hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the City, the Authority may exercise any or all of the rights and powers granted under Section 6a of the Water Development Act, including without limitation the right to impose, enforce and collect directly charges upon users of the System; and the City hereby covenants and agrees that, if the Authority should hereafter have recourse to the rights and powers, the City shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority.

Section 5.12. Authority Approval of Federal Pollution Abatement Assurance. The City hereby covenants and agrees to secure approval of the Authority and all other State agencies having jurisdiction before hereafter applying for federal financial assistance for pollution abatement.

Section 5.13. Qualified Tax Exempt Obligation Covenants. The City hereby designates the Series 1987 A Bonds and Series 1987 B Bond as qualified tax-exempt obligations as defined in Section 265(6)(3)(B) of the Code. The City further certifies and covenants with the holders of the Series 1987 A

Bonds and Series 1987 B Bond that (i) neither of the Series 1987 A Bonds nor the Series 1987 B Bond is a private activity bond; (ii) neither the City nor any agency, board, subdivision nor other subordinate entity of the City during the calendar year 1987 has designated any tax-exempt obligation issued by the City, or any other agency, board, subdivision or subordinate entity as a qualified tax-exempt obligation; (iii) the City, or any agency, board, subdivision or other subordinate entity of the City, during the calendar year 1987, does not as of the date hereof reasonably anticipate to issue qualified tax-exempt obligations, including 501(c)(3) Bonds but excluding other private activity bonds, in excess of \$10,000,000; and (iv) the City or any agency, board, subdivision, or other subordinate entity of the City will not during the calendar year 1987 designate any additional tax-exempt obligations including qualified 501(c)(3) Bonds but excluding other private activity bonds, as qualified tax-exempt obligations of the City, if the effect of such designation would be to cause the total aggregate amount of qualified tax-exempt obligations of the City or any agency, board, subdivision or subordinate entity of the City issued during calendar year 1987 to exceed \$10,000,000.

Section 5.14. Sale of the System. 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 defease the pledge created by this Ordinance as provided by Section 8.01 hereof. The proceeds from such sale, mortgage, lease or other disposition of the System immediately shall be remitted to the Bond Commission for deposit in the Sewerage System Sinking Fund, and otherwise as prescribed by Section 8.01. Any balance remaining after such defeasance shall be remitted to the City by the Bond Commission unless necessary for the payment of other obligations of the City payable out of System Gross Revenues. No such sale, lease or other disposition shall be made by the City if the proceeds to be derived therefrom shall be insufficient to defease the pledge created by this Supplemental and Amendatory Ordinance, as provided by Section 8.01 hereof, without the prior approval and consent in writing of the holders, or their duly authorized representatives, of sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of, the Series 1987 A Bonds and 1987 Series B Bond then Outstanding.

Section 5.15. Arbitrage Covenants. The City hereby certifies, and covenants with the holders of the Series 1987 A Bonds and the Series 1987 B Bond that (i) it is a governmental unit with general taxing powers; (ii) the Series 1987 A Bonds and Series 1987 B Bond are not private activity bonds as

defined in Section 141 (a) of the Code; (iii) not less than 95% of the proceeds of the Series 1987 A Bonds and Series 1987 B Bond is to be used for local governmental activities of the City; (iv) the face amount of all tax-exempt bonds other private activity bonds issued or to be issued by the City, or all subordinate entities thereof, during the calendar year 1987 is not as of the date hereof reasonably expected to exceed \$5,000,000 and therefore is eligible for the arbitrage rebate exception for small governmental units provided by Section 148(f)(4)(C) of the Code.

Section 5.16. Reporting Requirements. The City will file all reports or statements necessary to insure the tax-exempt status of the Series 1987 A Bonds and Series 1987 B Bond, including without limitation, the information return required under Section 150(e) of the Code.

Section 5.17. Insurance. The City shall carry with a reputable insurance carrier or carriers such insurance as is customarily carried with respect to works and properties similar to the System, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks. In time of war, the City also shall carry such insurance as may be available against loss or damage by the risks and hazards of war. Such insurance at all times shall be maintained in an amount equal to the fair appraisal value of the buildings, properties, furniture, fixtures and equipment of the System. The proceeds of all such insurance policies shall be placed in the Sewerage System Depreciation Fund and used only for repairs to and restoration of damaged or destroyed properties of the System, or for the other purposes herein for which moneys in the Sewerage System Depreciation Fund may be applied. The City also shall carry liability insurance for injury or damage to persons or property in such amounts as are adequate for such purposes and customarily carried with respect to works and properties similar to the System.

Section 5.18. Service Rendered to the City. The City will not render or cause to be rendered any free services of any nature by the System; and, in the event the City or any department, agency, instrumentality, officer or employee of the City shall avail itself or himself of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the City and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the City shall transfer from its general funds sufficient sums to pay such charges. The revenues so received shall be deemed

to be Sewerage System Gross Revenues, as the case may be, and shall be deposited and accounted for in the same manner as other Sewerage System Gross Revenues.

Section 5.19. Enforcement of Collections. The City diligently will 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 as shall become delinquent to the full extent permitted or authorized by the Sewer Act or otherwise by the laws of the State. Subject to applicable State law and regulations, and under such reasonable rules and regulations as may be prescribed by the City, the City shall discontinue both water and sewer service to all delinquent users of sewer service and shall not resume such services until all such delinquent amounts, including reasonable interest and penalty charges, have been paid in full.

Section 5.20. No Competing Franchise. To the extent legally allowable, the City will not grant or cause, consent to, or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 5.21. Books and Records. The City will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the System, and any holder of the Series 1987 A Bonds or the Series 1987 B Bond shall have the right at all reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the City relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of the State, and the Sewer Act.

The City shall mail in each year to any holder of the Series 1987 A Bonds or the Series 1987 B Bond requesting the same, a statement of System Gross Revenues, System Operating Expenses and System Net Revenues; and balance sheet statement showing all deposits in all the funds and accounts provided for in this Supplemental and Amendatory Ordinance with respect to the System, and the status of all said funds.

The City also, at least once a year, shall 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 holder of the Series 1987 A Bonds or the Series 1987 B Bond, and shall file said report with the Authority. Said reports shall be completed and made available within 120 days following the conclusion of each Fiscal Year. Such audit reports shall include mention of any failure of the City to observe the covenants and duties herein provided.

Section 5.22. Initial Schedule of Rates. The rates, fees and other charges for the use of the services and facilities of the System, established under ordinances enacted by the Council on or before the effective date of this Ordinance and in full force and effect, or ordered by the Public Service Commission of the State, the time for appeal of such rates, fees and other charges having expired, shall constitute the initial schedule, rates, fees and charges to be collected for use of the services and facilities of the System.

Section 5.23. Operating Budget. Annually, at least 30 days preceding the beginning of each Fiscal Year, or at such earlier date required by the Charter of the City, the City shall prepare and adopt by resolution detailed budgets of the estimated expenditures for operation and maintenance of the System during the succeeding Fiscal Year. The City shall mail copies of such annual budgets and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and shall make available such budget and all such resolutions at all reasonable times to the Authority and, upon request, to any holder of the Series 1987 A Bonds and the Series 1987 B Bond.

Section 5.24. Mandatory Sewer 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 of, and the economy of, the City and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory serviced by the System. Accordingly, within the geographic limits of the City and subject to applicable State laws and regulations, every owner, tenant and occupant of every lot, parcel and tract of land that abuts on a street, alley or other public way in which any sewer line, main or facility is located, or which is located within a reasonable distance thereof, not exceeding two hundred fifty (250) feet, and is reasonably accessible thereto, and upon which lot, parcel or tract a building or other habitable

structure has been or shall be erected for residential, commercial or industrial use, shall connect the waste or sewerage lines of such building or structure with the System if sewage will flow by gravity from such building or structure into the System and shall thereupon and thereafter refrain from using and shall cease to use any other method for the disposal of sewage or water-borne waste matter and shall pay all charges, fees and rates lawfully provided for use of the System.

Within the geographic limits of the city and subject to applicable State laws and regulations, any such building or structure from which emanates sewage or water-borne waste matter and is not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the City and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

Section 5.25. Concerning Arbitrage and Rebates. The proceeds of sale of the Series A Bonds and the Series B Bond will not be invested in such a way as to violate the requirements of the Code, and the regulations of the Internal Revenue Service or of the Treasury Department of the United States of America in connection with the arbitrage provisions of Sections 103 and 148 of the Code. No portion of the proceeds of the Series A Bonds and the Series B Bond will be used (directly or indirectly) so as to cause the Series A Bonds or the Series B Bond to be an "arbitrage bond" within the meaning of Sections 103 and 148 of the Code.

Unless otherwise excepted, the City will make, or cause to be made, all rebate calculations and payments in the time, manner and as required in Section 148(f) of the Code. In the event of a failure to pay such amounts, the Issuer will pay to the United States a penalty in an amount equal to the sum of 50% of the amount not paid, plus interest at the required rate on the portion of the amount which was not paid on the required date, beginning on such date, unless waived by the Secretary. The City shall maintain and provide the Authority with appropriate records of such computations and payments.

Section 5.26. Private Activity Bond Covenant. The City shall not permit at any time or times any of the proceeds of the Series 1987 A Bonds or the Series 1987 B Bond or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Series 1987 A Bonds or the Series 1987 B Bond from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986 (including any amendments and successor provisions thereto and the rules and regulations thereunder, the "Code"), by reason of

the classification of the Series 1987 A Bonds or the Series 1987 B Bond as a "private activity bond" within the meaning of the Code. The City will take all actions necessary to comply with the Code to be promulgated thereunder.

## ARTICLE VI

### INVESTMENTS: NON-ARBITRAGE

Section 6.01. Investments. The City shall invest and reinvest, and hereby instructs the Bond Commission and the Depository Bank to invest and reinvest, in Qualified Investments any moneys held as part of the funds and accounts created by this Supplemental and Amendatory Ordinance to the fullest extent possible subject to applicable laws, this Supplemental and Amendatory Ordinance and the need for such moneys for the purposes set forth herein. The City may direct the Bond Commission and the Depository Bank in writing as to what particular permitted investments shall be made.

Except as provided below, any investment shall be held in and at all times be deemed a part of the fund or account in which the moneys and investments are held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the corresponding fund or account. The investments held by the Depository Bank shall be valued as of each January 1 and July 1 at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount; provided, that no investment shall be sold or reduced by reason of the current market value exceeding the cost thereof. Funds in the consolidated fund managed by the West Virginia State Board of Investments shall be valued at par. The Bond Commission or the Depository Bank, 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 any loss on such liquidation. The City may invest funds on deposit with the Depository Bank through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, except losses due to its own gross negligence or willful misconduct.

Qualified Investments may be purchased for the respective Sinking Funds, including the accounts therein, and for the Sewerage System Depreciation Fund, either in the open market or from the Bond Construction Trust Fund. If purchased

from the Bond Construction Trust Fund, such Qualified Investments shall be purchased at prices equal to their original purchase prices plus accrued interest.

Qualified Investments acquired for the Sewerage System Depreciation Fund shall mature or be subject to redemption at the option of the holder within three years from the date of such investment.

Qualified Investments acquired for the Bond Construction Trust Fund shall mature or be subject to redemption at the option of the holder within one year from the date of such investment or at such time as funds on deposit in the Bond Construction Trust Fund are scheduled to be applied for the purpose thereof; provided, that the maturities of any Qualified Investments scheduled to be purchased from the Bond Construction Trust Fund for the respective Reserve Accounts or the Sewerage System Depreciation Fund within one year after the purchase thereof for the Bond Construction Trust Fund may exceed one year.

Qualified Investments acquired for the respective Reserve Accounts shall mature or be subject to redemption at the option of the holder within five years from the date of such investment.

Section 6.02. Restrictions as to Arbitrage Bonds. The City hereby covenants, and hereby instructs the Bond Commission and the Depository Bank, that it shall not permit the proceeds of the Bonds or any other funds of the City to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 148(a) of the Internal Revenue Code of 1986, as amended. Upon original issuance of any series of Bonds, an Authorized Officer of the City shall certify certain facts and expectations tending to establish that such Bonds are not such arbitrage bonds.

## ARTICLE VII

### DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Occurrence of any of the following events shall constitute an "Event of Default" with respect to the Series 1987 A Bonds and Series 1987 B Bond:

A. Default in the due and punctual payment of the principal or, premium, if any, or interest on any of the Bonds;

A Bonds and Series 1987 B Bond, shall have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the City, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of, premium, if any, and interest on the Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses, and to apply such rates, rentals, fees, charges and any other Gross Revenues in conformity with the provisions of this Supplemental and Amendatory Ordinance and the Water Development Act.

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

Whenever all that is due upon the Series 1987 A Bonds and Series 1987 B Bond, and interest thereon, if any, and under any covenants of this Supplemental and Amendatory Ordinance for the funds and accounts hereby established, and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Net Revenues, shall have been paid and made good, and all defaults under the provisions of this Supplemental and Amendatory Ordinance shall have been cured and made good, possession of the System shall be surrendered to the City upon the entry of an order of the court to that effect. Upon any subsequent Event of Default, any holder of the Series 1987 A Bonds and Series 1987 B Bond, shall have the same right to secure the further appointment of a receiver.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the City and for the joint protection and benefit of the City and first the holder of the Series 1987 A Bonds and second the holder of the Series 1987 B Bond. 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 and the collection of rates and charges related to the services provided by the System, for the sole purpose of the protection of both the City and first the holders of the Series 1987 A Bonds and second the holder of the Series 1987 B Bond, and the curing and making good of any Event of Default under the provisions of this Supplemental and Amendatory Ordinance, and the title to and ownership of the System shall remain in the City, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the System.

Section 7.04. Restoration of City and Holder of the Bonds. In case any holder of the Series 1987 A Bonds or Series 1987 B Bond shall have proceeded to enforce any right under this Supplemental and Amendatory Ordinance by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the claims of such holder of the Series 1987 A Bonds and Series 1987 B Bond, then and in every such case the City and such holder shall be restored to their former positions and rights hereunder, and all rights and remedies of such holders of the Series 1987 A Bonds and Series 1987 B Bond, shall continue as if no such proceedings had been taken, subject to such adverse determination as the court in such proceedings shall have made.

#### ARTICLE VIII

##### REGISTRAR; PAYING AGENT

Section 8.01. Appointment of Registrar. The Registrar of the Series 1987 A Bonds and Series 1987 B Bond shall be appointed by the enactment of a Supplemental Resolution.

#### ARTICLE IX

##### DEFEASANCE; DISCHARGE OF PLEDGE

Section 9.01. Defeasance; Discharge of Pledge. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the holders of the Series 1987 A Bonds,

the principal of, premium, if any, and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Supplemental and Amendatory Ordinance, then this Supplemental and Amendatory Ordinance and the pledges of Net Revenues and other moneys and securities pledged hereunder, and all covenants, agreements and other obligations of the City on behalf of the holders of the Series 1987 A Bonds, made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied.

If the City shall pay or cause to be paid, or there shall otherwise be paid, to the holder of the Series 1987 B Bond, the principal of, premium, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Supplemental and Amendatory Ordinance, then this Supplemental and Amendatory Ordinance and the pledges of Net Revenues and other moneys and securities pledged hereunder, and all covenants, agreements and other obligations of the City on behalf of the holder of the Series 1987 B Bond, made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1987 A Bonds and Series 1987 B Bond, for the payment of which either moneys in an amount which shall be sufficient, or Government Obligations 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 respective principal of, premium, if any, and interest on such Series 1987 A Bonds and Series 1987 B Bond, shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section. Prior to the maturity thereof all Series 1987 A Bonds and Series 1987 B Bond, shall 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 Bond Commission or irrevocably in trust with the Depository Bank, as the case may be, either moneys in an amount which shall be sufficient, or Government Obligations the principal of and the interest on which, when due, without reinvestment, will provide moneys which, together with the moneys, if any, deposited with the Bond Commission or the Depository Bank, as the case may be, at the same or earlier time will be sufficient, to pay when due the principal of, premium, if any, and interest due and to become due on the Series 1987 A Bonds and Series 1987 B Bond, on and prior to the maturity date thereof. Neither Government Obligations nor moneys deposited with the Bond Commission or the Depository Bank, as the case may be, pursuant to this Section, nor principal or interest payments on any such Government

Obligations, shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, premium, if any, and interest on the Series 1987 A Bonds and Series 1987 B Bond; provided, that any cash received from such principal or interest payments on such Government Obligations deposited with the Bond Commission or the Depository Bank, as the case may be, if not then needed for such purpose, to the extent practicable shall be reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the principal of, premium, if any, and interest, if any, to become due on the Series 1987 A Bonds and Series 1987 B Bond, on and prior to the maturity dates thereof.

## ARTICLE X

### MISCELLANEOUS

Section 10.01. Amendment of Supplemental and Amendatory Ordinance. No amendment or modification to this Supplemental and Amendatory Ordinance or to any Supplemental Resolution which is materially adverse to the holder of any Series 1987 A Bond and Series 1987 B Bond, may be made without the prior written consents, filed with the City Clerk of the City before any such modification or amendment may be made, of the holders of sixty percent in aggregate principal amount of the Series 1987 A Bonds and Series 1987 B Bond, then outstanding. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of, premium, if any, or interest on, any Series 1987 A Bond or Series 1987 B Bond, without the express written consent of the holders of such Series 1987 A Bond or Series 1987 B Bond, nor reduce the percentage of Series 1987 A Bonds or Series 1987 B Bond, required for consent to any such modification or amendment.

Section 10.02. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the City, the Registrar or the Depository Bank shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows or if hand-delivered to the individual to whom such notice, demand or request is required to be directed as indicated below:

A. The City:

City of Williamstown  
Williamstown, West Virginia 26187  
Attention: Mayor

B. Registrar - As shall be set out in a  
Supplemental Resolution

Any party listed above may change the address given for it at any time upon written notice thereof sent by United States mail, postage prepaid, to the other parties.

Section 10.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Supplemental and Amendatory Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Supplemental and Amendatory Ordinance.

Section 10.04. Table of Contents and Headings. The Table of Contents and headings of the articles and sections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 10.05. Effective Date. This Supplemental and Amendatory Ordinance shall take effect immediately upon enactment.

ARTICLE XI

REPEAL

Section 11.01. Repeal of Former Ordinance. The Ordinance of the City adopted on second reading on April 7, 1987 entitled "An Ordinance Authorizing the Refunding of the Water and Sewer Revenue Refunding and Improvement Bonds, Series 1955, of the City of Williamstown, West Virginia through the Issuance by the City of Williamstown, West Virginia of Waterworks Refunding Revenue Bonds, Series 1987, in Aggregate Principal Amount of Not More Than \$59,000 and Sewerage System Refunding Revenue Bonds, Series 1987 in the Aggregate Principal Amount of Not More Than \$59,000; Providing for the Rights and Remedies of, and the Security For, the Registered Owners of Such Waterworks Revenue Bonds and Sewerage System Revenue Bonds; Providing for the Severing of the Combined Waterworks and Sewerage System of the City of Williamstown into a Separate Waterworks System of the City of Williamstown and a Separate Sewerage System of the City of Williamstown; Continuing the Sanitary Board and Enacting Other Provision Relating Thereto", is hereby repealed.

Enacted this 28th day of May, 1987.

THE CITY OF WILLIAMSTOWN

*Wm. W. Curtis*  
City Clerk of the City of  
Williamstown

Passed on first  
reading May 21, 1987

Passed on second  
reading May 28, 1987

Effective Following  
Public Hearing Held June 8, 1987

[SEAL]

*Raymond E. Leach*  
Mayor

ATTEST:

*Wm. W. Curtis*  
City Clerk

4158P

EXHIBIT A

[Description of the Project]

The construction of a secondary sewer treatment plant, and the necessary appurtenances thereto, to augment its present primary treatment at Williamstown, Wood County, West Virginia.

4325P

EXHIBIT B  
FORM OF SERIES A BOND

No. \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
THE CITY OF WILLIAMSTOWN  
SEWERAGE SYSTEM REVENUE BOND, SERIES 1987 A

\$\_\_\_\_\_ Dollars

Original Issuance  
Date

Interest  
Rate

Bond Date

Registered Owner:  
Principal Sum:

THE CITY OF WILLIAMSTOWN, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, the Principal Sum specified above to the Registered Owner named above or registered assigns (the "Registered Owner"), in the following principal installments on October 1 of each of the following years:

Year

Installment

Interest Rate

The City further hereby promises solely from such special funds also to pay interest on outstanding principal from the Bond Date specified above at the Interest Rate per annum specified above semiannually, on the first day of April and the first day of October in each year, beginning October 1, 1987 for Bonds dated the date of initial issuance thereof, except as the provisions hereinafter set forth as to redemption may become applicable hereto.

The principal of this Bond, and the premium hereon, if any, are payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the office of the West Virginia Municipal Bond Commission, as paying agent (the "Paying Agent"). The interest so payable, and punctually paid or duly provided for, on any interest payment date will be paid to the registered owner as of the close of business on the Regular Record Date for such interest, which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding such interest payment date. Any such interest not so punctually paid or duly provided for forthwith shall cease to be payable to the Registered Owner as of such Regular Record Date, and may be paid to the Registered Owner hereof at the close of business on a Special Record Date for the payment of defaulted interest to be fixed by the Williamstown National Bank (the "Registrar"), notice whereof such shall be given to the Registered Owners not less than 10 days prior to such Special Record Date. Interest shall be paid by check or draft mailed to the address of such Registered Owner at the address as it appears on the books of the Registrar (the "Bond Register"), or by such other method as shall be mutually agreeable so long as the

Authority is the Registered Owner hereof.

This Bond is one of a series of bonds in the aggregate principal amount of \$\_\_\_\_\_ (the "Series A Bonds") of like tenor and effect, except as to bond date, number, denomination and interest rate, dated the Original Issuance Date set forth above, issued to assist the City in the financing of costs of acquiring and constructing a wastewater treatment facility, capitalizing interest during the construction period and for six months thereafter, funding a debt service reserve account, paying costs of issuance and other costs incidental thereto and to the financing thereof (the "Project"), located within the boundaries of the City, all 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 of 1931, , as amended, and the Charter of the City, (collectively, the "Act"), and an ordinance of the City duly enacted by the Council of the City on April 7, 1987, and a supplemental and amendatory ordinance duly enacted by the Council of the City on the 28th day of May, 1987, and as supplemented by a resolution of said Council duly adopted on the 15th day of June, 1987 (collectively, the "Ordinance"), and is subject to all the terms and conditions of the Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, which 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 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 upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the City and the Authority, dated February 2, 1987.

This Bond is issued contemporaneously with the Sewerage System Revenue Bond, Series 1987 B, of the City (the "Series B Bond"), issued in the aggregate principal amount of \$\_\_\_\_\_, which Series B Bond is junior and subordinate with respect to liens and sources of and security for payment to the Bonds.

The Series A Bonds and the interest thereon are payable from and are secured by a first lien (on a parity with the Sewerage System Refunding Revenue Bonds, Series 1987, of the City), and pledge of the net revenues derived from the Sewerage System as defined in the Ordinance, all funds in the Series 1987 A Sinking Fund established under the Ordinance, and the unexpended proceeds of the Series A Bonds and the Series B Bond, and the City hereby and in the Ordinance pledges such net revenues and funds to such payment, and the net revenues of the Sewerage System shall be set aside as a special fund hereby pledged for such purpose. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 1987 A Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the City has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Sewerage System and the services rendered thereby, which shall be sufficient, together with other revenues of the Sewerage System, to provide

for the reasonable expenses of operation, repair and maintenance of the Sewerage 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 year of principal of and interest on the Series A Bonds, the Series B Bond, and all other obligations secured by or payable from such revenues prior to or on a parity with the Series A Bonds or the Series B Bond, provided however, that so long as there exists in the Series 1987 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series A Bonds in any year, and in the respective reserve accounts established for the Series B Bond and any other obligations outstanding prior to or on a parity with the Series A Bonds or the Series B Bond, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The City has entered into certain further covenants with the Registered Owners of the Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds shall be applied solely to pay costs of the Project including interest during the construction period, to fund the Series A Bonds Reserve Account in the Series 1987 A Sinking Fund, and to pay other costs in connection therewith, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the Registered Owners of the Series A Bonds.

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

This Bond is designated by the city in the Ordinance as a "qualified tax exempt obligation" as defined in Section 265(b)(3)(B) of the Internal Revenue Code of 1986.

This Bond, under the provisions of the Act, is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only by transfer of registration hereof with the Registrar.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been manually signed by the Registrar.

All provisions of the Ordinance and the 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, in the manner provided in the Ordinance, The City of Williamstown has caused this Bond to be signed by the manual signature of its Mayor and the seal of said City to be impressed hereon and attested by the manual signature of the City Clerk, and has caused this Bond to be dated as of the Bond Date shown above.

[SEAL]

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

Date: \_\_\_\_\_ THE WILLIAMSTOWN NATIONAL BANK, as Registrar  
By \_\_\_\_\_  
Its Authorized Officer

ASSIGNMENT

For value received, the undersigned Registered Owner do(es) hereby sell, assign and transfer unto \_\_\_\_\_

(name, address and social security number or other identifying number of assignee) \_\_\_\_\_  
the within Bond and hereby irrevocably constitute(s) and appoint(s) \_\_\_\_\_  
to transfer the said Bond on the books kept for registration of the within Bond with full power of substitution in the premises.

Dated: \_\_\_\_\_  
Registered Owner

Signature Guaranteed: \_\_\_\_\_

Notice: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of this Bond in every particular, without alteration or any change whatever.

4296P

EXHIBIT C  
FORM OF SERIES B BOND

No. \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
THE CITY OF WILLIAMSTOWN  
SEWERAGE SYSTEM REVENUE BOND, SERIES 1987 B

\$ \_\_\_\_\_ Dollars

Original Issuance  
Date

Interest  
Rate

Bond Date

Registered Owner:  
Principal Sum:

THE CITY OF WILLIAMSTOWN, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, the Principal Sum specified above to the Registered Owner named above or registered assigns (the "Registered Owner"), in the following principal installments on October 1 of each of the following years:

Year

Installment

Interest Rate

The principal of this Bond, and the premium hereon, if any, are payable in any coin or currency which, on the date of payment thereof, is legal tender for the payment of public and private debts under the laws of the United States of America at the office of the West Virginia Municipal Bond Commission, as paying agent (the "Paying Agent").

This Bond is the duly authorized Series B Bond (the "Series B Bond"), dated the Original Issuance Date set forth above, issued to assist the City in the financing of costs of acquiring and constructing a wastewater treatment facility, funding a debt service reserve account, and paying costs of issuance and other costs incidental thereto and to the financing thereof (the "Project"), located within the boundaries of the City, all 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 of 1931, , as amended, and the Charter of the City, (collectively, the "Act"), and an ordinance of the City duly enacted by the Council of the City on April 7, 1987, and a supplemental and amendatory ordinance duly enacted by the Council of the City on the 28th day of May, 1987, and as supplemented by a resolution of said Council duly adopted on the 15th day of June, 1987 (collectively, the "Ordinance"), and is subject to all the terms and conditions of the Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, which bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance.

This Bond is issued contemporaneously with the Sewerage System Revenue bonds, Series 1987 A of the City (the "Series 1987 A Bonds") issued in the aggregate principal amount of \$\_\_\_\_\_. This Bond is junior and subordinate with respect to liens and sources of a security for payment to the Series A Bonds, and the Series 1987 Sewerage System Refunding Revenue Bonds of the City (the "Prior Bonds"), presently outstanding in the aggregate principal amount of \$50,500.00.

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 upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the City and the Authority, dated February 2, 1987. The Series B Bond is payable from and is secured by a lien and pledge of the Net Revenues derived from the Sewerage System, all funds in the Series 1987 B Sinking Fund established under the Ordinance, and the unexpended proceeds of the Bonds, and the City hereby and in the Ordinance pledges such net revenues and funds to such payment, and the net revenues of the Sewerage System shall be set aside as a special fund hereby pledged for such purpose. The lien on and pledge of Net Revenues is junior in priority and subordinate to the lien thereon and pledge thereof to secure the Series A Bonds and the Prior Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same except from said special fund provided from the Net Revenues, the moneys in the Series 1987 B Bond Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the City has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the Sewerage System and the services rendered thereby, which shall be sufficient, together with other revenues of the Sewerage System, to provide for the reasonable expenses of operation, repair and maintenance of the Sewerage 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 year of principal and interest on the Series A Bonds, the Series 1987 B Bond, and all other obligations secured by or payable from such revenues prior to or on a parity with the Series A Bond or the Series 1987 B Bond, provided however, that so long as there exists in the Series 1987 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series A Bonds in any year, and in the respective reserve accounts established for the Series 1987 B Bond interest and any other obligations outstanding prior to or on a parity with the Series A Bonds or the Series B Bond, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. All required payments of the principal of, and premium, if any, on this Series B Bond shall constitute a charge upon all the net revenues of the System, subordinate and junior in priority to the pledge of the Net Revenues of the System to secure the payment of the Series A Bonds, the Prior Bonds and any bonds issued on a parity with the Series A Bonds and the Prior Bonds as provided in the Ordinance. The City has entered into certain further covenants with the Registered Owner of the Series B Bond, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owner of the Series B Bond are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Series B Bond shall be applied solely to pay costs of the Project, to fund the Series B Bond Reserve Account in the Series 1987 B Sinking Fund, and to pay other costs in connection therewith, 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 the Series B Bond, which lien is junior in priority to and subordinate to the lien thereon to secure the Series A Bonds.

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

This Bond is designated by the city in the Ordinance as a "qualified tax exempt obligation" as defined in Section 265(b)(3)(B) of the Internal Revenue Code of 1986.

This Bond, under the provisions of the Act, is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only by transfer of registration hereof with the Registrar.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been manually signed by the Registrar.

All provisions of the Ordinance and the 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, in the manner provided in the Ordinance, The City of Williamstown has caused this Bond to be signed by the manual signature of its Mayor and the seal of said City to be impressed hereon and attested by the manual signature of the City Clerk, and has caused this Bond to be dated as of the Bond Date shown above.

[SEAL]

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is the Series B Bond described in the within-mentioned Ordinance and has been duly registered in the name set forth above.

Date: \_\_\_\_\_  
By THE WILLIAMSTOWN NATIONAL BANK, as Registrar  
\_\_\_\_\_  
Its Authorized Officer

ASSIGNMENT

For value received, the undersigned Registered Owner do(es) hereby sell, assign and transfer unto \_\_\_\_\_

\_\_\_\_\_  
(name, address and social security number or other identifying number of assignee)  
the within Bond and hereby irrevocably constitute(s) and appoint(s)  
\_\_\_\_\_ to transfer the said Bond on the books kept for  
registration of the within Bond with full power of substitution in the premises.

Dated: \_\_\_\_\_  
\_\_\_\_\_  
Registered Owner

Signature Guaranteed: \_\_\_\_\_

Notice: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of this Bond in every particular, without alteration or any change whatever.

**THE CITY OF WILLIAMSTOWN  
SEWER REVENUE BONDS, SERIES 2005 A  
(WEST VIRGINIA SRF PROGRAM)**

**BOND ORDINANCE**

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THE CITY OF WILLIAMSTOWN

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF WILLIAMSTOWN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$400,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

A. The City of Williamstown (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Wood 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 the construction of an ultra-violet disinfection system, together with all appurtenant facilities (collectively, the "Project"), which constitute properties for the collection, transportation, treatment, purification, or disposal of liquid or solid wastes, residential sewage or industrial waste (the existing public sewerage system of the Issuer, the Project and any further additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

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

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2005 A (West Virginia SRF Program), in the total aggregate principal amount of not more than \$400,000 (the "Series 2005 A Bonds"), initially to be represented by a single bond, to permanently finance a portion of the costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the SRF Program; 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, including the SRF Administrative Fee (as hereafter 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 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 among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), in form satisfactory to the Issuer, the Authority, and the DEP (the "Loan Agreement"), to be approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank either on a parity with or junior and subordinate to the Series 2005 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's Sewerage System Revenue Bond, Series 1987 A, dated June 25, 1987, issued in the original aggregate principal amount of \$15,551 (the "Series 1987 A Bonds"), Sewerage System Revenue Bond, Series 1987 B, dated June 25, 1987, issued in the original aggregate principal amount of \$169,539 (the "Series 1987 B Bonds"), and the Sewerage System Revenue Bond, Series 1987 A-1, dated June 25, 1987, issued in the original aggregate principal amount of \$659,637 (the "Series 1987 A-1 Bonds" and collectively the "Prior Bonds").

The Series 2005 A Bonds shall be issued on a parity with the Series 1987 A Bonds and the Series 1987 A-1 Bonds and senior and prior to the Series 1987 B 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 Series 1987 A Bonds and the Series 1987 A-1 Bonds are met; (ii) the written consent of the Holders of the Series 1987 A Bonds and the Series 1987 A-1 Bonds to the issuance of the Series 2005 A Bonds on a parity with the Series 1987 A Bonds and the Series 1987 A-1 Bonds; and (iii) the written consent of the Holders of the Series 1987 B Bonds to the issuance of the Series 2005 A Bonds on a senior and prior basis to the Series 1987 B Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all covenants of the Prior Bonds and Prior Ordinances.

H. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Series 2005 A Bonds and the Prior Bonds and to make all payments into all funds, accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition and construction of the Project and the operation of the System and issuance of the Series 2005 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without

limitation, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a certificate of public convenience and necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2005 A Bonds or such final order will not be subject to appeal.

J. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board, and the Sanitary Board has petitioned the Governing Body to issue the Series 2005 A Bonds for the purposes set forth herein.

K. 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 Notes are private activity bonds; that 95% or more of the Net Proceeds of the Notes 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 Notes are issued does not and will not exceed \$5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations from time to time in effect an applicable to the Notes. For purposes of the first paragraph of this Section and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this first paragraph of this Section and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this first paragraph of this Section and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefitting thereby shall be treated as one issuer.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2005 A Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 2005 A Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series

and any other Bonds of the same series, and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2005 A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the DEP under the Act.

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

"Board" means the Sanitary Board of the Issuer.

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

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

"Bond 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.

"Clerk" or "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 and the DEP.

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

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

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

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

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

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

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

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

"First Lien Bonds" means, collectively, the Series 1987 A Bonds and the 1987 A-1 Bonds.

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

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

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

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

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

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

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

"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 Williamstown, a municipal corporation and political subdivision of the State of West Virginia, in Wood 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 into, or to be entered into, by and among the Issuer, the Authority and the DEP, 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, the SRF Administrative Fee, fees and expenses of the Authority, fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as herein defined), other than those capitalized as part of the costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal or of redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

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

"Paying Agent" means the Commission or other entity or authority designated as such for the Series 2005 A Bonds in the Supplemental Resolution, with the written consent of the Authority and the DEP.

"Prior Bonds" means, collectively, the Issuer's (i) Sewerage System Revenue Bond, Series 1987 A, dated June 25, 1987, issued in the original aggregate principal amount of \$15,551, (ii) Sewerage System Revenue Bond, Series 1987 B, dated June 25, 1987, issued in the original aggregate principal amount of \$169,539, and (iii) Sewerage System Revenue Bond, Series 1987 A-1, dated June 25, 1987, issued in the original aggregate principal amount of \$659,637.

"Prior Ordinances" means, collectively, the ordinances of the Issuer, including all amendments and supplements thereto, 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 or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank

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

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

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

"Reserve Accounts" means, collectively, the respective reserve account established for the Series 2005 A Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amount required to be on deposit in any Reserve Account for the Prior Bonds and the Series 2005 A Bonds.

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

"Series 1987 A Bonds" means the Issuer's Sewerage System Revenue Bonds, Series 1987 A, described in Section 1.02G hereof.

"Series 1987 B Bonds" means the Issuer's Sewerage System Revenue Bonds, Series 1987 B, described in Section 1.02G hereof.

"Series 1987 A-1 Bonds" means the Issuer's Sewerage System Revenue Bonds, Series 1987 A-1, described in Section 1.02G hereof.

"Series 2005 A Bonds" means Sewer Revenue Bonds, Series 2005 A (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.

"Series 2005 A Bonds Construction Trust Fund" means the Series 2005 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2005 A Bonds Reserve Account" means the Series 2005 A Bonds Reserve Account established 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 established by Section 5.02 hereof.

"Sewerage System Depreciation Fund" means the Sewerage System Depreciation Fund created by the Prior Ordinances and continued hereby.

"Sinking Funds" means, collectively, the respective sinking fund established for the Prior Bonds and the Series 2005 A Bonds.

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

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

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

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 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 Bonds or any other obligation of the Issuer, including, without limitation, the Sewerage System Depreciation Fund, the Sinking Funds and the Reserve Accounts.

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

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION  
OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project.

There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed \$400,000, 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 hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the DEP.

The cost of the Project is estimated not to exceed \$400,000, all of which will be obtained from proceeds of the Series 2005 A Bonds.

### ARTICLE III

#### AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 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 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 "Sewer Revenue Bond, Series 2005 A (West Virginia SRF Program)", in the principal amount of not more than \$400,000, 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 capitalizing interest on the Series 2005 A Bonds, 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, if any, on the Series 2005 A Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 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, and shall mature in principal installments, all as provided in the Supplemental Resolution. 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 of the date specified 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 the authorization of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 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 Holder, 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 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 2005 A Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Series 2005 A 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 are exercised, all Series 2005 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2005 A Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2005 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2005 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2005 A Bonds or, in the case of any proposed redemption of Series 2005 A Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

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

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2005 A Bonds shall not, in any event, be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Holder or Holders of the Series 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 3.08. Bonds Secured by Pledge of Net Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of all Series 2005 A Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Series 1987 A Bonds and the Series 1987 A-1 Bonds, and senior and prior to the lien on the Net Revenues in favor of the Holders of the Series 1987 B Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for 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 to such payments as the same become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2005 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2005 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2005 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2005 A Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2005 A Bonds.

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  
THE CITY OF WILLIAMSTOWN  
SEWER REVENUE BOND, SERIES 2005 A  
(WEST VIRGINIA SRF PROGRAM)

No. AR-\_\_\_\_\_

\$ \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS: That on this the \_\_\_ day of \_\_\_\_\_, 2005, THE CITY OF WILLIAMSTOWN, a municipal corporation and political subdivision of the State of West Virginia in Wood County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing \_\_\_\_\_ 1,200\_\_\_\_, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference with interest on each installment at the rate per annum set forth on said EXHIBIT B. The interest and SRF Administrative fee (as defined in the hereinafter describe Bond Legislation) on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing \_\_\_\_\_, 20\_\_\_\_, as set forth on Exhibit B attached hereto.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond 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 Huntington National Bank, Charleston, 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 Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement (the "Loan

Agreement") by and among the Issuer, the Authority and the DEP, dated \_\_\_\_\_, 2005.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on \_\_\_\_\_, 2005, and a Supplemental Resolution duly adopted by the Issuer on \_\_\_\_\_, 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 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 SEWERAGE SYSTEM REVENUE BOND, SERIES 1987 A, DATED JUNE 25, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$15,551 (THE "SERIES 1987 A BONDS") AND THE ISSUER'S SEWERAGE SYSTEM REVENUE BOND, SERIES 1987 A-1, DATED JUNE 25, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$659,637 (THE "SERIES 1987 A-1 BONDS"), AND SENIOR AND PRIOR WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S SEWERAGE SYSTEM REVENUE BOND, SERIES 1987 B (THE "SERIES 1987 B BONDS"), DATED JUNE 25, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$169,539 (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 operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 1987 A Bonds and the Series 1987 A-1 Bonds, and senior and prior to the pledge of Net Revenues in favor of the Holders of the Series 1987 B Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2005 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory

provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2005 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 on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2005 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior to the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other

obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

IN WITNESS WHEREOF, THE CITY OF WILLIAMSTOWN 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 day and year 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: \_\_\_\_\_, 2005.

THE HUNTINGTON NATIONAL BANK,  
as Registrar

By: \_\_\_\_\_  
Its: 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 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 in the form attached hereto as "Exhibit A" and made a part hereof, 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. The Loan Agreement, including all schedules and exhibits attached thereto, are hereby approved and incorporated into this Bond Legislation.

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

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

- (1) Revenue Fund (established by the Prior Ordinances);
- (2) Sewerage System Depreciation Fund (established by the Prior Ordinances); 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 and 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 shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinances and this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Bond Legislation and in the Prior Ordinances. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following manner order of priority:

- (1) The Issuer shall first, each month, pay from the Revenue Fund all 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 respective Sinking Funds for the Series 1987 A Bonds and the Series 1987 A-1 Bonds the amounts required by the Prior Ordinances to pay interest on such Bonds;

and (ii) commencing 3 months prior to the first date of payment of interest on the Series 2005 A Bonds for which interest has not been capitalized or as required in the Loan Agreement, for deposit in the Series 2005 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 2005 A Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2005 A Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission, (i) for deposit in the respective Sinking Funds for the Series 1987 A Bonds and the Series 1987 A-1 Bonds, the amounts required by the Prior Ordinances to pay the principal of the such 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.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the respective Reserve Accounts for the Series 1987 A Bonds and the Series 1987 A-1 Bonds, the amounts required by the Prior Ordinances; 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; 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.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Sewerage System Depreciation Fund, an amount equal to 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Sewerage System Depreciation 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 Sewerage System Depreciation Fund for replacements, repairs, improvements or extensions to the System; provided, (i) that any restrictions on the use of monies in the Prior Ordinances are met; and (ii) that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with monies from the Sewerage System Depreciation Fund.

(6) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1987 B Bonds Sinking Fund, the amount required by the Prior Ordinances to pay the principal of the Series 1987 B Bonds.

(7) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1987 B Bonds Reserve Account, the amount required by the Prior Ordinances.

Monies 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. Monies 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 come due, when other monies in the Series 2005 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies 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 of the Series 2005 A Bonds Reserve Account 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 priority as 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 account 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 into the Series 2005 A Bonds Reserve Account therein 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 to accrue until the maturity thereof.

Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 1987 A Bonds, the Series 1987 A-1 Bonds, and the Series 2005 A Bonds, and thereafter, with respect to the Series 1987 B Bonds, all 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 required amounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into the Series 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 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, including the Series 2005 A Bonds Reserve Account therein, 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. The Issuer shall, on the first day of each month (if the first day is not a business day, then the first business day of each month), deposit with the Commission the required interest, if any, principal and reserve account payments with respect to the Series 2005 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall, on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission, the SRF Administrative Fee as set forth in the Schedule Y attached to the Loan Agreement.

C. 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.

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

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

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

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

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

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

J. All Tap Fees shall be deposited by the Issuer, as received, in the Series 2005 A Bonds Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

## ARTICLE VI

### BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 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 monies derived from the sale of the Series 2005 A Bonds, such monies shall be deposited with the Depository Bank in the 2005 A Bonds Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02 hereof, and until expended, are hereby pledged as additional security for the Series 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 directed by the DEP.

Section 6.02. Disbursements From the Series 2005 A Bonds Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the Series 2005 A Bonds will be expended and the disbursement procedures of such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2005 A Bonds Construction Trust Fund shall be made only after submission to, and approved from, the Authority and the DEP of the following:

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

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

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

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

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

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

Pending such application, monies 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 Holder or Holders 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 Holders 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 Holder or Holders of any 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 Positions with Respect to Prior Bonds. The payment of the debt service of the Series 2005 A Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Series 1987 A Bonds and the Series 1987 A-1 Bonds and senior and prior to the lien on the Net Revenues in favor of the Holders of the Series 1987 B Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Prior Bonds and the Series 2005 A Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the sewer rate ordinance of the Issuer enacted December 21, 2004, which rates are incorporated herein by reference as a part hereof.

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 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 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 Ordinances. 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 Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding 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 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 2005 A Bonds. Any balance remaining after the payment of the Bonds and the interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

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

in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding in accordance with the laws of the State. The proceeds of any such sale shall be remitted by the Issuer to the Commission for deposit in the Sinking Funds for prepayment of the Bonds. The payment of such proceeds into the Sewerage System Depreciation Fund and the Sinking Funds shall not reduce the amounts required to be paid into such funds by other provisions of this Bond Legislation.

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

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2005 A Bonds and the Prior 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 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 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 2005 A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2005 A Bonds and the interest, if any, thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. Additionally, 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 DEP under the conditions and in the manner herein provided (unless less restrictive than the provisions of the Prior Ordinances).

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 purpose of financing the costs of design, acquisition or construction of additions, extensions, betterments or improvements to the System or refunding any outstanding Bonds, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the 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 to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

- (1) The Bonds then Outstanding;
- (2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding;  
and
- (3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the 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. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System and their source of and security for payment from said Net Revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien of the Series 2005 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 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 DEP or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the DEP such documents and information as they may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

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

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

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

The Issuer shall file with the Authority and the DEP, or any other original purchaser of the Series 2005 A Bonds, and shall mail in each year to any Holder or Holders 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 Accountants in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a

summary thereof, to any Holder or Holders of the Series 2005 A Bonds and shall submit said report to the Authority and the DEP, or any other original purchaser of the Series 2005 A Bonds. Such audit report submitted to the Authority and the DEP 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 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 and the DEP, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction and commencement of operation of the Project, the Issuer shall provide the Authority and the DEP, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the DEP with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the Series 2005 A Bonds, equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the 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 or junior to the Series 2005 A Bonds, including the Prior Bonds; provided that, in the event the amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2005 A Bonds Reserve Account and any Reserve Accounts for obligations on a parity with or junior to the Series 2005 A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2005 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2005 A Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04 hereof.

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

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

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

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

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

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

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

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

Section 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals

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

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

Section 7.15.      Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 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 Sewerage System Depreciation Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Sewerage System Depreciation 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 BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the City Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

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

The Issuer shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the DEP and the Issuer shall verify such insurance prior to commencement of construction. In the event the 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 Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.17. Completion and Operation of Project; Permits and Orders.

The Issuer shall complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System and has obtained all approvals for the issuance of the Series 2005 A Bonds required by State law, with all 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 with copies of all documents submitted to the Authority.

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

Section 7.19. 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 2005 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2005 A Bonds during the term thereof is, under the terms of the Series 2005 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2005 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2005 A Bonds during the term thereof is, under the terms of the Series 2005 A Bonds or any underlying

arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2005 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2005 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% or \$5,000,000 of the Net Proceeds of the Series 2005 A Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2005 A 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 Series 2005 A Bonds and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 2005 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will 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 will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.21. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 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 DEP for written approval. The Issuer shall obtain the written approval of the DEP 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 DEP 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 DEP and the Authority in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any ground breaking or dedication of the Project.

## ARTICLE VIII

### INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2005 A Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest on the Series 2005 A Bonds from gross income for federal income tax purposes.

Section 8.02.      Non-Arbitrage. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2005 A Bonds which would cause the Series 2005 A Bonds to be "arbitrage bonds" within the meaning of 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 Series 2005 A Bonds) so that the interest on the

Series 2005 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Small Issuer Exemption from Rebate. In accordance with Section 148(f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that the Series 2005 A Bonds are not private activity bonds as defined in Section 141 of the Code; that 95% or more of the Net Proceeds of the Series 2005 A Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt bonds (other than private activity bonds as defined in Section 141 of the Code) issued by the Issuer during the calendar year in which the Series 2005 A Bonds are issued are not and will not exceed \$5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations promulgated thereunder. For purposes of this Section 8.03 and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section 8.03 and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this Section 8.03 and Section 148(f)(4)(D) of the Code to any other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefitting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and Regulations from time to time in effect and applicable to the Series 2005 A Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and Regulations from time to time in effect and applicable to the Series 2005 A Bonds. In the event of a failure to pay the correct rebate amount, the Issuer will pay, from any lawful sources available therefor, to the United States such rebate amount, plus a penalty equal to 50% of the rebate amount not paid when required to be paid, plus interest on that amount, unless waived. The Issuer shall obtain a waiver from the Internal Revenue Service, if necessary, and take any other actions necessary to maintain the exclusion of interest on the Series 2005 A Bonds from gross income for federal income tax purposes. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

The Issuer shall furnish to the Authority, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing any required rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation and certificate with respect thereto or, if the Issuer qualifies for the small governmental issue exception to rebate, or any other exception thereto, then the Issuer shall submit to the Authority a certificate stating that it is exempt from such rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 2005 A Bonds subject to rebate. The Issuer shall also furnish to the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority including information with respect to earnings on all funds constituting "gross proceeds" of the Series 2005 A Bonds (as such term "gross proceeds" is defined in the Code).

## ARTICLE IX

### DEFAULT AND REMEDIES

Section 9.01.      Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 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 any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02.      Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2005 A Bonds shall be on a parity with the Holders of the Series 1987 A Bonds and the Series 1987 A-1 Bonds and senior and prior to the Holders of the Series 1987 B Bonds.

Section 9.03 Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the Project

and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01.      Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2005 A Bonds, the principal of and interest due or to become due thereon, if any, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2005 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2005 A Bonds from gross income for federal income tax purposes.

## ARTICLE XI

### MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 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 Bond or Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the respective Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 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 Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 2005 A Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2005 A Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 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 Ordinances, 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 Ordinances, the Prior Ordinances 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 were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

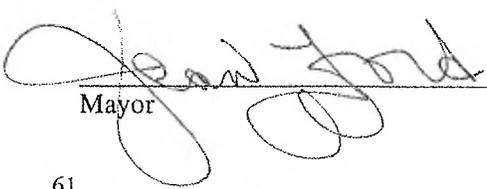
Section 11.07. Effective Date. This Ordinance shall take effect immediately following the public hearing and final reading hereof.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in *The Parkersburg News*, a newspaper of general circulation in The City of Williamstown, there being no newspaper published therein, 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 ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading: - April 19, 2005

Passed on Second Reading: - May 17, 2005

Passed on Final Reading  
Following Public  
Hearing: - May 31, 2005

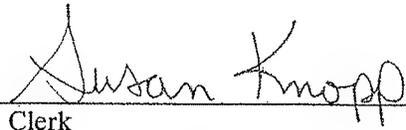
  
\_\_\_\_\_  
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of The City of Williamstown on the 31st day of May, 2005.

Dated: June 2, 2005.

[SEAL]

  
\_\_\_\_\_  
City Clerk

05/19/05  
976720.00002

EXHIBIT A

Loan Agreement included in bond transcript as Document 3.

**CITY OF WILLIAMSTOWN**

**SEWER REVENUE BONDS  
SERIES 2009 A (WEST VIRGINIA SRF PROGRAM) and  
SERIES 2009 B (ARRA PROGRAM)**

**BOND ORDINANCE**

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CITY OF WILLIAMSTOWN

ORDINANCE AUTHORIZING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF WILLIAMSTOWN AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$1,750,000 IN AGGREGATE PRINCIPAL AMOUNT OF ITS SEWER REVENUE BONDS, SERIES 2009; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNER OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS; AND ENACTING OTHER PROVISIONS RELATING THERETO.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any order or Ordinance supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Bond Act") and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (the "SRF Act", and together with the Bond Act, 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 Williamstown (the "Issuer") is a municipality, public corporation and political subdivision of the State of West Virginia in Wood 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 constructed certain improvements and extensions to the existing public sewerage facilities of the Issuer, consisting of the replacement modification of the headworks screening facilities, installation of blowers with an upgrade capacity, replacement of the existing solids dewatering equipment, plant piping, electrical work and necessary appurtenances (collectively, the "Project"), which constitute properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (the existing public sewerage facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System").

C. The Issuer intends to permanently finance a portion of the costs of acquiring, constructing and equipping the Project through the issuance of its revenue bonds to be sold 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 SRF Act, in order to take advantage of the favorable terms available to the Issuer under the SRF Program.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2009, in the aggregate principal amounts of not more than \$1,750,000 (the "Series 2009 Bonds"), initially to be represented by two (2) bonds, to permanently finance a portion of the costs of acquiring, constructing and equipping of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefore; interest upon the Series 2009 Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 2009 Bond 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, commitment fees, fees and expenses of the Authority, including the SRF Administrative Fee, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2009 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the cost of acquiring, constructing and equipping the Project, 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 2009 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 the completion of the Project is not less than 40 years.

F. It is in the best interests of the Issuer that its Series 2009 Bonds be sold to the Authority pursuant to the terms and provisions of a Bond Purchase Agreement

by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), in form satisfactory to the Issuer, the Authority and the DEP (the "Bond Purchase Agreement"), approved hereby if not previously approved by Ordinance of the Issuer.

G. There are outstanding obligations of the Issuer which will rank either on parity with or junior and subordinate to the Series 2009 Bonds as to liens, pledge and source of and security for payment, which obligations are designated as follows:

- a. \$15,551 City of Williamstown, Sewer Revenue Bond, Series 1987 A (the "Series 1987 A Bond");
- b. \$169,539 City of Williamstown, Sewer Revenue Bond, Series 1987 B (the "Series 1987 B Bond");
- c. \$659,637 City of Williamstown, Sewer Revenue Bond, Series 1987 A-1 (the "Series 1987 A-1 Bond"); and
- d. \$230,282 City of Williamstown, Sewer Revenue Bond, Series 2005 A (the "Series 2005 A Bond").

The Series 1987 A Bond, the Series 1987 A-1 Bond and the Series 2005 A Bond are hereinafter collectively called the "Parity Bonds." The Series 1987 B Bond is hereinafter called the "Subordinate Prior Bond."

The Series 2009 Bonds shall be issued on parity with the Parity Bonds and senior and prior to the Subordinate Prior Bond with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has met the coverage and parity requirements of the Parity Bonds and the Subordinate Prior Bond and the Ordinances authorizing the Parity Bonds and the Subordinate Prior Bond for issuance of the Series 2009 Bonds and has substantially complied with all other parity requirements, except to the extent that noncompliance with any such other parity requirements is not of a material nature. Prior to the issuance of the Series 2009 Bonds, the Issuer will obtain the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Parity Bonds and the Subordinate Prior Bond are met and the written consent of the Holders of the Parity Bonds and the Subordinate Prior Bond to the issuance of the Series 2009 Bonds on a parity with the Parity Bonds and senior and prior to the Subordinate Prior Bond. Other than the Parity Bonds and the Subordinate Prior Bond, there are no outstanding bonds or obligations of the Issuer that are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year following completion of the Project will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest, if any, on the First Lien Bonds, and to

make payments into all Sinking Funds, Reserve Accounts and other payments provided for herein, all as such terms are hereinafter defined.

I. The Issuer has complied with all requirements of West Virginia law and the Bond Purchase Agreement relating to authorization of the acquisition, construction and equipping of the Project, the operation of the System and the issuance of the Series 2009 Bond, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein 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 2009 Bonds or such final order will not be subject to appeal or rehearing.

J. Pursuant to the Act, the Issuer has established a Sanitary Board, and the Sanitary Board has petitioned the Governing Body to issue the Series 2009 Bonds for the purposes described in this Ordinance.

K. The Project has been approved by the West Virginia Infrastructure and Jobs Development 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 2009 Bonds by those who shall be the Registered Owner 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 Owner, 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 Owner or Owners of such Series 2009 Bonds, which shall be of equal rank and without preference, priority or distinction between any one bond of a series and any other bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

“Authority” means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2009 Bonds, or any other agency of the State of West Virginia that succeeds to the functions of the Authority.

“Authorized Officer” means the Mayor of the Governing Body of the Issuer or any temporary Mayor duly selected by the Governing Body.

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

“Bond Legislation,” “Ordinance,” “Bond Ordinance” or “Local Act” means this Bond Ordinance and all orders and Ordinances 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 2009 Bonds, the Prior Bonds, and any bonds on parity therewith subsequently authorized to be issued hereunder or by another Ordinance of the Issuer.

“Bond Purchase Agreement” means the bond purchase agreement heretofore entered, or to be entered, into by and among the Authority, the DEP and the Issuer, providing for the purchase of the Series 2009 Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

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

“Closing Date” means the date upon which there is an exchange of the Series 2009 Bonds for all or a portion of the proceeds of the Series 2009 Bond 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 Boyles and Hildreth, Spencer, West Virginia, or any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System or portion thereof, in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended; provided however, that the Consulting Engineers shall not be a regular,

full-time employee of the State or any of its agencies, commissions, or political subdivisions.

“Costs” or “Costs of the Project” means those costs described in Section 1.02D hereof to be a part of the cost of designing, acquiring, constructing and equipping the Project.

“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 Council.

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

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

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

“First Lien Bonds” mean, collectively, the Series 1987 A Bond, the Series 1987 A-1 Bond, the Series 2005 A Bond and the Series 2009 Bonds.

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

“Governing Body” or “Council” means the City 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, purchased pursuant to Article 8.01 hereof) or any Tap Fees, as hereinafter defined.

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

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

“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 City of Williamstown, a municipal corporation, public corporation and political subdivision of the State of West Virginia in Wood County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

“Mayor” means the Mayor of the Issuer.

“Net 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

the Paying Agent (all as herein defined), other than those capitalized as part of the costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Outstanding," when used with reference to bonds and as of any particular date, describes all bonds theretofore and thereupon being authenticated and delivered, except (i) any bond cancelled 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 or other action by a specified percentage of Bondholders, any 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 2009 Bonds in the Supplemental Resolution with the written consent of the Authority and the DEP.

"Prior Ordinances" means, individually or collectively, the Ordinance of the Issuer enacted June 8, 1987, authorizing the Series 1987A, Series 1987B and Series 1987A1 Bonds, and the Ordinance of the Issuer enacted May 31, 2005, authorizing the Series 2005A Bond.

"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 or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

(g) Repurchase agreements or similar banking arrangements, fully secured by investments of the types described in paragraphs (a) through (e) above or fully insured by the FDIC, with member banks of the Federal Reserve system or 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 therefore; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investment pursuant to Chapter 12, Article 6C of the Code of West Virginia, 1931, as amended, including, without limitation, authorized pools of investments operated by such Investment Management Board; and

(i) Obligations of states or political subdivisions or agencies thereof, the interest on which is excluded from gross income for federal income tax

purposes, and which are rated at least "A" by Moody's Investors Service, Inc. or Standard & Poor's Corporation.

"Recorder" means the Recorder of the Governing Body of the Issuer.

"Registrar" means the Bond Registrar.

"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 the Prior Ordinance and continued hereby.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 2009 Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in any reserve account for the Series 2009 Bonds and the Prior Bonds.

"Revenue Fund" means the Revenue Fund established by the Prior Ordinances and continued hereby.

"Sanitary Board" means the Sanitary Board of the Issuer, as such term is defined in the Prior Ordinances.

"Series 2009 Bonds" means the Sewer Revenue Bonds, Series 2009, of the Issuer, authorized by this Ordinance.

"Series 2009 Construction Trust Fund" means the Series 2009 Construction Trust Fund established by Section 5.01 hereof.

"Series 2009 Bond Reserve Account" means the Series 2009 Bond Reserve Account established by Section 5.02 hereof.

"Series 2009 Bond Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2009 Bond in the then current or any succeeding year.

"Series 2009 Bond Sinking Fund" means the Series 2009 Bond Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds established for the Series 2009 Bonds and the Prior Bonds.

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

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

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

“State” means the State of West Virginia.

“Supplemental Resolution” means any Ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article “the,” refers specifically to the Supplemental Resolution or Ordinances authorizing the sale of the Series 2009 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2009 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 2009 Bond and 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 the complete properties of the Issuer for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, improvements and extensions thereto hereafter constructed or acquired for said system from any sources whatsoever.

Additional terms and phrases are defined in this Ordinance as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Mayor or the Recorder shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Mayor or Acting Recorder.

## 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, construction and equipping of the Project, at an estimated cost of not to exceed \$1,750,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, approved by the DEP and the Issuer and heretofore filed in the office of the Governing Body. The proceeds of the Series 2009 Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the construction of the Project, compatible with the financing plan submitted to the SRF Program.

The cost of acquisition and construction of the Project is estimated not to exceed \$1,750,000, all of which will be obtained from the proceeds of the Series 2009 Bonds.

## ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of funding a reserve account for the Series 2009 Bonds, paying costs of constructing the Project and paying certain costs of issuance of the Series 2009 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 negotiable Series 2009 Bonds of the Issuer. The Series 2009 Bonds shall be issued as two (2) bonds, designated as "Sewer Revenue Bond, Series 2009 A (West Virginia SRF Program) and Sewer Revenue Bond, Series 2009 B (ARRA Program)," in the principal amounts of not more than \$1,750,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2009 Bonds remaining after funding the Series 2009 Bond Reserve Account (if funded from Bond proceeds) shall be deposited in or credited to the Series 2009 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 2009 Bonds shall be issued in such principal amounts; shall bear interest at the rate of one percent (1%) per annum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Bond Purchase Agreement. The Series 2009 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 2009 Bonds shall be paid by check or draft of the Paying 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 2009 Bond shall be issued in the form of two (2) bonds, fully registered to the Authority, with a record of advances and debt service schedules attached, representing the aggregate principal amounts of the Series 2009 Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2009 Bonds shall be exchangeable at the option and expense of the Registered Owners for other fully registered Bond or Bonds of the same series in an aggregate principal amount or amounts equal to the amounts of said Series 2009 Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Series 2009 Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Section 3.03. Execution of Bonds. The Series 2009 Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2009 Bonds shall cease to be such officer of the Issuer before the Series 2009 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 2009 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 2009 Bonds 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 Bonds, substantially in the form set forth in Section 3.12 hereof, shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bonds 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 2009 Bonds 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 2009 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 2009 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 2009 Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the same.

The registered Series 2009 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 the Series 2009 Bonds or transferring the registered Series 2009 Bonds is exercised, the Series 2009 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. The Series 2009 Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of the Series 2009 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 the Series 2009 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date, if any, on the Series 2009 Bonds or, in the case of any proposed redemption of the Series 2009 Bonds, next preceding the date of the selection of the portion of the Series 2009 Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bond Mutilated, Destroyed, Stolen or Lost. In case a bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new bond of the same series and of like tenor as the bond 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. The bond so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such bond shall have matured or be about to mature, instead of issuing a substitute bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2009 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, in the case of the Series 2009 Bonds only, from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2009 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2009 Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Parity Bonds. The payment of the debt service of the Series 2009 Bonds shall be secured by a first lien on the Net Revenues derived from the System, on parity with the lien on such Net Revenues in favor of the Holders of the Parity Bonds and senior and prior to the Subordinate Prior Bond. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Parity Bonds and the Series 2009 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 2009 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2009 Bonds to the original purchasers upon receipt of the documents set forth below:

- A. If other than the Authority, a list of the names in which the Series 2009 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;
- B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2009 Bonds to the original purchasers;
- C. An executed and certified copy of the Bond Legislation;
- D. Executed copy of the Bond Purchase Agreement;
- and
- E. The unqualified approving opinion of bond counsel on the Series 2009 Bonds.

Section 3.10. Form of Bonds. The text of the Series 2009 Bonds shall be in substantially the following forms, 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 A BOND)

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
CITY OF WILLIAMSTOWN  
SEWER REVENUE BOND, SERIES 2009 A  
(WEST VIRGINIA SRF PROGRAM)

No. AR-1

\$\_\_\_\_,000

KNOW ALL MEN BY THESE PRESENTS: That CITY OF WILLIAMSTOWN, a municipal corporation, public corporation and political subdivision of the State of West Virginia in Wood County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefore, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of \_\_\_\_\_ HUNDRED THOUSAND DOLLARS (\$\_\_\_\_,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing \_\_\_\_\_ 1, 2011, 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, 2011, as set forth on EXHIBIT B attached hereto.

This Bond shall bear interest at the rate of zero percent (0%) per annum beginning \_\_\_\_\_ 1, 2011. Principal and interest installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Issuer, the Authority and the DEP, dated December \_\_, 2009.

This Bond is issued (i) to pay a portion of the costs of acquiring, constructing and equipping certain improvements and extensions to the existing public sewerage facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public sewerage facilities of the Issuer, the improvements and extensions constructed by the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full

compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on November 3, 2009, and a Supplemental Resolution duly adopted by the Issuer on December \_\_, 2009 (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 PARITY AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S (1) \$15,551 SEWER REVENUE BOND, SERIES 1987A, (2), \$659,637 SEWER REVENUE BOND, SERIES 1987A1, (3) \$230,282 SEWER REVENUE BOND, SERIES 2005A, AND (4) \$ \_\_, \_\_ SEWER REVENUE BOND, SERIES 2009 B (ARRA PROGRAM) (COLLECTIVELY, THE "PARITY BONDS"), AND SENIOR AND PRIOR TO THE ISSUER'S \$169,539 SEWER REVENUE BOND, SERIES 1987B (THE "SUBORDINATE PRIOR BOND").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holder of the Parity Bonds, and senior and prior to the Subordinate Prior Bond, from moneys in the reserve account created under the Bond Legislation for this Bond (the "Series 2009 Bond Reserve Account") and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds that may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2009 Bond Reserve Account and unexpended proceeds of this Bond. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount 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 Parity Bonds; provided however, that so long as there exists in the Series 2009 Bond 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 Parity Bonds, an amount at least equal to the requirement therefore, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owner of this

Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owner of this Bond are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar 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 constructing 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, Ordinances 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, CITY OF WILLIAMSTOWN has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated December 17, 2009.

[SEAL]

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is the Series 2009 A Bond 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: December 17, 2009.

UNITED BANK, INC., as Registrar

By: \_\_\_\_\_  
Vice President



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: \_\_\_\_\_, 20\_\_.

\_\_\_\_\_

In the presence of:

\_\_\_\_\_

BOND REGISTER

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
CITY OF WILLIAMSTOWN  
SEWER REVENUE BOND, SERIES 2009 A  
(WEST VIRGINIA SRF PROGRAM)

<u>Bond Number</u>	<u>Principal Amount</u>	<u>Date of Bond</u>
No. AR-1	\$ __,000	December 17, 2009

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.

By: \_\_\_\_\_  
Vice President

(FORM OF B BOND)

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
CITY OF WILLIAMSTOWN  
SEWER REVENUE BOND, SERIES 2009 B  
(ARRA PROGRAM)

No. BR-1

\$\_\_\_\_,000

KNOW ALL MEN BY THESE PRESENTS: That CITY OF WILLIAMSTOWN, a municipal corporation, public corporation and political subdivision of the State of West Virginia in Wood County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefore, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of \_\_\_\_\_ HUNDRED THOUSAND DOLLARS (\$\_\_\_\_,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing \_\_\_\_\_ 1, 2011, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear interest at the rate of zero percent (0%) per annum beginning \_\_\_\_\_ 1, 2011. Principal and interest installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Issuer, the Authority and the DEP, dated December \_\_, 2009.

This Bond is issued (i) to pay a portion of the costs of acquiring, constructing and equipping certain improvements and extensions to the existing public sewerage facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public sewerage facilities of the Issuer, the improvements and

extensions constructed by the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on November 3, 2009, and a Supplemental Resolution duly adopted by the Issuer on December \_\_, 2009 (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 PARITY AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S (1) \$15,551 SEWER REVENUE BOND, SERIES 1987A, (2), \$659,637 SEWER REVENUE BOND, SERIES 1987A1, (3) \$230,282 SEWER REVENUE BOND, SERIES 2005A, AND (4) \$\_\_\_\_,\_\_\_\_ SEWER REVENUE BOND, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM) (COLLECTIVELY, THE "PARITY BONDS"), AND SENIOR AND PRIOR TO THE ISSUER'S \$169,539 SEWER REVENUE BOND, SERIES 1987B (THE "SUBORDINATE PRIOR BOND").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holder of the Parity Bonds, and senior and prior to the Subordinate Prior Bond, from moneys in the reserve account created under the Bond Legislation for this Bond (the "Series 2009 Bond Reserve Account") and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds that may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2009 Bond Reserve Account and unexpended proceeds of this Bond. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum

amount 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 Parity Bonds; provided however, that so long as there exists in the Series 2009 Bond 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 Parity Bonds, an amount at least equal to the requirement therefore, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owner of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owner of this Bond are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar 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 constructing 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, Ordinances 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, CITY OF WILLIAMSTOWN has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated December 17, 2009.

[SEAL]

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Mayor

ATTEST:

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Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is the Series 2009 B Bond 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: December 17, 2009.

UNITED BANK, INC., as Registrar

By: \_\_\_\_\_  
Vice President



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: \_\_\_\_\_, 20\_\_.

\_\_\_\_\_

In the presence of:

\_\_\_\_\_

BOND REGISTER

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
CITY OF WILLIAMSTOWN  
SEWER REVENUE BOND, SERIES 2009 B  
(ARRA PROGRAM)

<u>Bond Number</u>	<u>Principal Amount</u>	<u>Date of Bond</u>
No. BR-1	\$ __,000	December 17, 2009

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.

By: \_\_\_\_\_  
Vice President

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Bond Purchase Agreement. The Bond Purchase Agreement, including all schedules and exhibits attached thereto, is hereby approved. The Series 2009 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous Ordinance, the Mayor is specifically authorized and directed to execute the Bond Purchase Agreement in the form attached hereto as "EXHIBIT A" and made a part hereof, and the Recorder is directed to affix the seal of the Issuer, attest the same and deliver the Bond Purchase Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

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

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

- (1) Revenue Fund (established by the Prior Ordinances);
- (2) ~~Renewal and Replacement Fund~~ (established by the Prior Ordinances); and
- (3) Series 2009 Construction Trust Fund.

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

- (1) Series 2009 Bond Sinking Fund; and
- (2) Series 2009 Bond 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 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 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 first each month pay from the Revenue Fund the amount necessary and sufficient to pay current Operating Expenses.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Paying Agent: (i) the amounts required by the Prior Ordinances to pay interest on the First Lien Bonds; and (ii) the amount required to pay interest on the Series 2009 Bonds.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Paying Agent or the Commission: (i) the amounts required by the Prior Ordinances to pay principal on the First Lien Bonds; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2009 Bonds, remit to the Commission for deposit in the Series 2009 Bond Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2009 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 2009 Bond Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission the amounts: (i) to make reserve fund payments on the First Lien Bonds required by the Prior Ordinances; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2009 Bonds, if not fully funded upon issuance of the Series 2009 Bonds, remit to the Commission for deposit in the Series 2009 Bond Reserve Account, an amount equal to 1/120th of the Series 2009 Bond Reserve Requirement; provided that, no further payments shall be made into the Series 2009 Bond 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 2009 Bond Reserve Requirement.

(5) The Issuer shall next, on the first day of each month transfer from the Revenue Fund and remit to the Commission for deposit in the Subordinate Prior Bond Sinking Fund, the amount required to pay interest on the Subordinate Prior Bond on the next ensuing quarterly interest payment date.

(6) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Subordinate Prior Bond Sinking Fund, an amount equal to the amount of principal that will mature and become due on the Subordinate Prior Bond on the next ensuing quarterly principal payment date.

(7) The Issuer shall next, on the first day of each month, from the moneys remaining in the Revenue Fund, 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 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 2009 Bond Sinking Fund shall be used only for the purpose of paying principal of and interest, if any, on the Series 2009 Bonds as the same shall become due. Moneys in the Series 2009 Bond Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2009 Bonds as the same shall come due, when other moneys in the Series 2009 Bond Sinking Fund are insufficient therefore, and for no other purpose.

All investment earnings on moneys in the Series 2009 Bond Sinking Fund and the Series 2009 Bond Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and

applied in full, first to the next ensuing interest payment due, if any, on the Series 2009 Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2009 Bond Reserve Account which result in a reduction in the balance therein below the Series 2009 Bond 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 2009 Bonds are issued, provision shall be made for additional payments into the respective sinking funds 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 therefore.

The Issuer shall not be required to make any further payments into the Series 2009 Bond Sinking Fund or the Series 2009 Bond Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2009 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal, interest or reserve account payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Parity Bonds and the Series 2009 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 2009 Bond Sinking Fund and the Series 2009 Bond 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 the Series 2009 Bond Sinking Fund and the Series 2009 Bond Reserve Account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2009 Bond Sinking Fund and the Series 2009 Bond Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2009 Bond Sinking Fund, including the Series 2009 Bond Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2009 Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve account payments with respect to the Series 2009 Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month deposit with the Commission the SRF Administrative Fee as set forth in the Schedule Y attached to the Bond Purchase Agreement.

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

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

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 deducted from the Revenue Fund and 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. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

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

## ARTICLE VI

### BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 2009 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2009 Bonds, there shall be deposited with the Commission in the Series 2009 Bond Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2009 Bond Reserve Account.

B. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2009 Bonds, such moneys shall be deposited with the Depository Bank in the Series 2009 Construction Trust Fund and applied solely to payment of costs of construction of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2009 Bonds.

C. 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 2009 Bonds shall be used to fund the Series 2009 Bond Reserve Account, if not funded upon issuance of the Series 2009 Bonds, in an amount not to exceed the Series 2009 Bond Reserve Requirement; provided that, in no event shall more than 10% of the proceeds of the Series 2009 Bonds be deposited in the Series 2009 Bond Reserve Account. Any remaining proceeds thereafter shall be used as directed by the DEP.

Section 6.02. Disbursements from Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the Series 2009 Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments of all Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2009 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," a form of which is attached to the Bond Purchase Agreement as Exhibit C in compliance with the construction schedule; and

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

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

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

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

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

Pending such application, moneys in the Series 2009 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 the Holders of the Series 2009 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 2009 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 2009 Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2009 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 2009 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2009 Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Parity Bonds. The payment of the debt service of the Series 2009 Bonds shall be secured by a first lien on the Net Revenues derived from the System, on

parity with the lien on such Net Revenues in favor of the Holders of the Parity Bonds. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Parity Bonds and the Series 2009 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. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Bond Purchase Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Final Order of the Public Service Commission of West Virginia entered December \_\_, 2009, in Case No. 09-1062-S-CN, and such rates are hereby enacted.

So long as the Series 2009 Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Bond Purchase Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2009 Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Bond Purchase Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Bond Purchase Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, or any part thereof, except as provided in the Prior Ordinances. Additionally, so long as the Series 2009 Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding 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 2009 Bond, immediately be remitted to the Commission for deposit in the Series 2009 Bond Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2009 Bonds. Any balance remaining after the payment of the Series 2009 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 therefore, 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 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 enacted, 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 with the written consent of the Authority, be remitted by the Issuer to the Commission for deposit in the Renewal and Replacement Fund. Such payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, 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 in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System that rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2009 Bonds. All obligations issued by the Issuer after the issuance of the Series 2009 Bonds that are 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 2009 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 2009 Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2009 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 DEP prior written notice of its issuance of any other obligations to be used for the System, payable from the revenues of the System or from any grants, or any other obligations related to the Project or the System.

Section 7.07. Parity Bonds. So long as the Parity Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. Additionally, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2009 Bonds pursuant to this Bond Legislation, except with the prior written consent of DEP and the Authority under the conditions and in the manner herein provided (unless less restrictive than the provisions of the Prior Ordinances).

All Parity Bonds issued hereunder shall be on parity in all respects with the Series 2009 Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the design, acquisition, or construction of extensions and improvements to the System or refunding any outstanding Bonds, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Recorder a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

- (1) The Parity Prior 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 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 (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer and approved by the Public Service Commission of West Virginia, the period for appeal of which has 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 Independent Certified Public Accountants, which shall be filed in the office of the Recorder prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired 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 Holder of the Bonds and the Holder of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on revenues of the System is subject to the prior and superior liens of the Series 2009 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 2009 Bonds.

No Parity Bonds shall be issued any time, however, unless all 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 such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the cost 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 it may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

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

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any 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. The Issuer shall maintain separate control accounting records. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting system that may be installed remote from the direct supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Authority and the DEP, or any other original purchasers of the Series 2009 Bonds, and shall mail in each year to any Holder or Holders of the Series 2009 Bonds, requesting the same, an annual report containing the following:

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

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this

Bond Legislation, and the status of all said funds and accounts.

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and, to the extent legally required, in compliance with the applicable OMB Circular or any successor thereto, and the Single Audit Act, or any successor thereto) and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to the Holder of the Series 2009 Bond, and shall submit said report to the Authority and the DEP, or any other original purchasers of the Series 2009 Bonds. Such audit report submitted to the Authority and the DEP 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 Bond Purchase Agreement and the Act, the Issuer has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared by the Consulting Engineers. All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

The Issuer shall permit the DEP and the Authority, 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 DEP and the Authority, 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 DEP and the Authority 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 Bond Purchase Agreement or as promulgated from time to time.

Section 7.09. Rates. Prior to the issuance of the Series 2009 Bonds, equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Recorder, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at

all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2009 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2009 Bonds, including the Parity Bonds; provided that in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2009 Bond Reserve Account and any reserve accounts for obligations on a parity with the Series 2009 Bond, including the Parity Bonds, are funded at least at the requirement therefore, 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 2009 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2009 Bonds, including the Parity Bonds. In any event, the Issuer shall not reduce the rates or charges for services 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 enact 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 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 therefore in such budget without a written finding and recommendation by a 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 Ordinance duly enacted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all Ordinances authorizing increased expenditures for operation and maintenance to the Authority and the DEP and to any Holder of any Bonds, within 30 days of adoption thereof, and shall make available such budgets and all Ordinances authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority and the DEP and to any Holder of any Bonds, or anyone acting for and on behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for two years following the completion of construction of

the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Bond Purchase Agreement and forward a copy of such report to the Authority and the DEP by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer shall obtain a certificate of the Consulting Engineers in the form attached to the Bond Purchase Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the DEP and the Authority, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the DEP and the Authority 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 DEP 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 DEP and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Bond Purchase Agreement, 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 Regulation, to the DEP when the Project is 90% completed. The Issuer shall at all times provide operation and maintenance of the System in compliance with all State and federal standards.

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

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

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

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2009 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 repairs and restoration of the damaged or destroyed properties, or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Bond Purchase Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

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

(4) FLOOD INSURANCE, if the 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.

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

(6) FIDELITY BONDS will be provided for every officer, member and employee of 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.

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 workers' 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 DEP and the Authority. In the event the Bond Purchase Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear. 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 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 System, pay the rates and charges established therefore.

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 Construction; Permits and Orders. The Issuer will cause the Project to be constructed 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 construction of the Project and operation of the System, all orders and approvals from the Public Service Commission of West Virginia and the Council necessary for the construction of the Project and the operation of the System and all approvals for issuance of the Series 2009 Bond required by state law, with all requisite appeal periods having expired without successful appeal.

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 2009 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 2009 Bonds during the term thereof is, under the terms of the Series 2009 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 2009 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 2009 Bonds during the term thereof is, under the terms of the Series 2009 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 a Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2009 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 2009 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 the 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 the lesser of 5% or \$5,000,000 of the Net Proceeds of the Series 2009 Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to person 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 2009 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. If required, the Issuer will timely file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2009 Bonds and the interest thereon 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, without limitation, those deemed necessary by the Authority) so that the interest on the Series 2009 Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2009 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2009 Bonds, and shall be on a parity, as to the Series 2009 Bonds with the statutory mortgage lien in favor of the Holders of the Parity Bonds.

Section 7.20. Compliance with Bond Purchase Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms, conditions and requirements of the Bond Purchase Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP with copies of all documents submitted to the Authority.

The Issuer also agrees 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 the operation, maintenance and use of the System.

Section 7.21. Securities Laws Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.22. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2009 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 Authority for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 2009 Bonds held in "contingency" as set forth in the schedule attached to the certificate of the Consulting Engineer. The Issuer

shall also obtain the written approval of the DEP before expending any proceeds of the Series 2009 Bonds made available due to bid or construction or project underruns.

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

## ARTICLE VIII

### INVESTMENTS; USE OF PROCEEDS

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 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, if any, on the Series 2009 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 2009 Bonds as a condition to issuance of the Series 2009 Bond. 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 2009 Bonds as may be necessary in order to maintain the status of the Series 2009 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 2009 Bonds that would cause any bonds or notes, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or DEP, as the case may be, from which the proceeds of the Series 2009 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 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 Ordinance.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2009 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 2009 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 2009 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 2009 Bonds set forth in this Bond Legislation, any Supplemental Resolution or in the Series 2009 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, Registrar or any other Paying Agent or a Holder of a Bond; or

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

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

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 Owner 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 Owner 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 Owner; provided that, all rights and remedies of the Holders of the Series 2009 Bonds shall be on parity with the Holders of the Parity 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 Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

Whenever all that is due upon the Bond 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 Owner of the Bond. 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 Owner 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 2009 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, the pledge of future grant proceeds 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 2009 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 issuance of the Series 2009 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2009 Bonds, no material modification or amendment of this Ordinance, or of any

Ordinance amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owner of the Series 2009 Bonds shall be made without the consent in writing of the Registered Owner of the Series 2009 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2009 Bonds or the rates of interest, if any, thereon, or in the principal amounts thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein respectively pledged therefore without the consent of the Registered Owners thereof. No amendment or modification shall be made that would reduce the percentage of the principal amounts of the Series 2009 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 Bondholders as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 2009 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 Owner of the Series 2009 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 court of competent jurisdiction should hold any section, paragraph, clause or provision of this Ordinance invalid, 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 2009 Bonds.

Section 11.04. Headings, Etc. The headings and catch lines 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; Prior Ordinances. All orders or Ordinances, 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 Ordinances, the Prior Ordinances 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 at the enactment of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, Recorder and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07. Public Notice of Proposed Financing. Prior to making formal application to the Public Service Commission of West Virginia for a certificate of public convenience and necessity, the Recorder of the Governing Body shall have caused to be published in a newspaper of general circulation within or in the immediate vicinity of the City of Williamstown, a Class II legal advertisement stating:

- (a) The maximum amounts of the Series 2009 Bonds to be issued;
- (b) The maximum interest rates and terms of the Series 2009 Bonds originally authorized hereby;
- (c) The public service properties to be acquired and the cost of the same;
- (d) The maximum anticipated rates which will be charged by the Issuer; and
- (e) The date that the formal application for a certificate of public convenience and necessity is to be filed with the Public Service Commission of West Virginia.

Section 11.08. Effective Date. This Ordinance shall take effect immediately upon enactment.

Enacted this 3<sup>rd</sup> day of November, 2009.

CITY OF WILLIAMSTOWN

By: \_\_\_\_\_  
Mayor

CERTIFICATION

Certified a true copy of a Ordinance duly enacted by the City Council of  
the CITY OF WILLIAMSTOWN on the 3<sup>rd</sup> day of November, 2009.

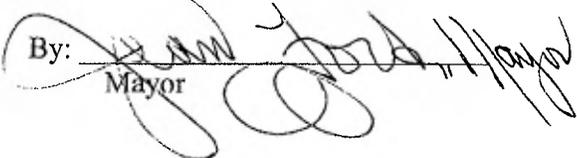
Dated: December 17, 2009.

[SEAL]

\_\_\_\_\_  
Recorder

Enacted this 3<sup>rd</sup> day of November, 2009.

CITY OF WILLIAMSTOWN

By:   
Mayor

CERTIFICATION

Certified a true copy of a Ordinance duly enacted by the City Council of  
the CITY OF WILLIAMSTOWN on the 3<sup>rd</sup> day of November, 2009.

Dated: December 17, 2009.

[SEAL]

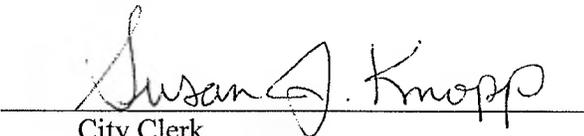
  
City Clerk

EXHIBIT A

ARRA Assistance Agreement included in bond transcript at Tab 3.



## CLOSING MEMORANDUM

**To:** Financing Team  
**From:** Elizabeth A. Benedetto  
**Date:** September 30, 2015  
**Re:** The City of Williamstown  
Sewer Revenue Bonds, Series 2015 A (West Virginia SRF Program)

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### DISBURSEMENTS TO THE CITY OF WILLIAMSTOWN

A. Payor: West Virginia Department of Environment Protection  
Project No. 2013S-1439/C-544386  
Source: 2015 Series A Bonds Proceeds  
Amount: \$65,349.00  
Form: Wire  
Payee: The City of Williamstown  
100 West Fifth Street  
Williamstown, West Virginia 26187  
Form: Wire Transfer  
Bank: Receiving Bank:  
Community Bankers Bank Virginia  
P.O. Box 268  
2601 Promenade Parkway  
Midlothian, VA 23113  
For the Benefit of:  
Williamstown Bank, Inc.  
435 Highland Avenue  
Williamstown, West Virginia 26187  
Account No.: 051503909  
Williamstown Bank Account No.: 523739  
Contact: Sharon Anderson (304.375.6262)  
Account: 2015 Series A Bonds Construction Trust Fund

679476 (020623.0001)

**C-544 386**  
**WILLIAMSTOWN SANITARY BOARD**

**RESOLUTION OF THE WILLIAMSTOWN SANITARY BOARD  
 APPROVING INVOICES RELATING TO SERVICES FOR THE PROPOSED  
 PROJECT AND AUTHORIZING PAYMENT THEREOF,**

**WHEREAS**, the Williamstown Sanitary Board has reviewed the invoices attached hereto and incorporated herein by reference relation to the Project funded by the Clean Water State Revolving Fund (SRF) and find as follows:

1. That none of the items for which payment is proposed to be made has formed the basis for any disbursement theretofore made.
2. That each item for which the payment is proposed to be paid is or was necessary in connection with the Project and constitutes a Cost of the project.
3. That each of such costs has been otherwise properly incurred.
4. That the payment for each of the items proposed is due and owing.

**NOW THEREFORE BE IT RESOLVED** The Williamstown Sanitary Board by as follows: There is hereby authorized and directed the payment of the attached invoices as follows:

VENDOR	TOTAL	DEP-SRF
Boyles & Hildreth Eng.	\$25,383.00	\$25,383.00
Spilman Thomas & Battle	\$10,000.00	\$10,000.00
United Bank	\$500.00	\$500.00
MOVRC	\$11,197.44	\$11,197.44
Boyles & Hildreth Eng. (Reimbursement to City)	\$3,687.00	\$3,687.00
Myers Law Offices (Reimbursement to City)	\$5,279.97	\$5,279.97
CSX Transportation (Reimbursement to City)	\$6,850.00	\$6,850.00
Lowe & Associates CPA's (Reimbursement to City)	\$2,450.50	\$2,450.50
<b>TOTAL</b>	<b>\$65,347.91</b>	<b>\$65,347.91</b>

**ADOPTED BY** the Williamstown Sanitary Board at the meeting held on September 15, 2015.

Mayor

Attest

*[Handwritten signatures in blue ink]*  
 Mayor: *[Signature]*  
 Attest: *[Signature]*

SRF PAYMENT REQUISITION FORM

1. LOAN RECIPIENT/VENDOR:

NAME: City of Williamstown  
 ADDRESS: 100 West Fifth Street  
Williamstown, WV 26187  
 FEIN: 55-6000276  
 DUNS: 074958174

2. SRF #: C-544386

3. INVOICE NUMBER: 1

4. PERIOD COVERED BY THIS REQUEST (MO/DAY/YR)

FROM: (MO/DAY/YR) Dec. 26th, 2013 TO: (MO/DAY/YR) Sept. 15th, 2015

5. % PHYSICAL CONSTRUCTION COMPLETION 19%

CLASSIFICATION	A) APPROVED BUDGET	B) PREVIOUS APPROVED	C) THIS REQUEST	D) TOTAL COLUMNS B&C	E) AGENCY USE ONLY
					SRF
1) CONSTRUCTION	\$ 209,222		\$ -	\$ -	
2) CONSTRUCTION CONT.	\$ 10,461			\$ -	
3) ENGINEERING					
a. Basic	\$ 20,000		\$ 16,900	\$ 16,900	
B. Special Services	\$ 12,187		\$ 12,170	\$ 12,170	
c. RPR	\$ 20,000			\$ -	
4) LEGAL	\$ 7,500		\$ 5,280	\$ 5,280	
5) ACCOUNTING	\$ 6,000		\$ 2,451	\$ 2,451	
6) ADMINISTRATIVE	\$ 13,000		\$ 11,198	\$ 11,198	
7) UNFORSEEN COND	\$ 20,780			\$ -	
8) PERMITS	\$ 6,850		\$ 6,850	\$ 6,850	
9) BOND COUNSEL	\$ 10,000		\$ 10,000	\$ 10,000	
10) REGISTRAR FEE	\$ 500		\$ 500	\$ 500	
11) SUBTOTAL	\$ 336,500	\$ -	\$ 65,349	\$ 65,349	
12) LESS PREVIOUSLY PAID				\$ -	
13) INVOICE AMOUNT				\$ 65,349	

14) Jean Ford 9/15/15  
 AUTHORIZED SIGNATURE DATE  
Jean Ford, Mayor  
 TYPED OR PRINTED NAME AND TITLE

15) Tim S. Meeks 9/15/15  
 PERSON PREPARING FORM SIGNATURE DATE  
Tim S. Meeks  
 TYPED OR PRINTED NAME AND TITLE

AGENCY USE ONLY:  
 THIS REQUEST APPROVED BY: **WV DEPARTMENT OF ENVIRONMENTAL PROTECTION**  
 PROJECT REVIEWER \_\_\_\_\_ DATE \_\_\_\_\_ AUTHORIZED OFFICER \_\_\_\_\_ DATE \_\_\_\_\_



# Boyles and Hildreth

CONSULTING ENGINEERS

JAMES B. HILDRETH, P.E.

August 5, 2015

Ms. Jean Ford, Mayor  
City of Williamstown  
100 West Fifth Street  
Williamstown, WV 26187

## INVOICE

for professional services rendered from June 18, 2013 to and including August 5, 2015 in connection with the Wastewater Collection System Improvements Project as authorized by agreement dated June 18, 2013 and addendum dated July 24, 2015:

### SECTION B: ENGINEERING SERVICES

Lump Sum Fee	\$	20,000.00
Study and Report Phase -- 100% complete		4,500.00
Preliminary & Final Design -- 100% complete		10,850.00
Bidding and Negotiation Phase -- 100% complete		1,550.00
Construction Phase -- 0% complete		-
Less previous payments		-
Subtotal	\$	16,900.00

### SECTION C: ADDITIONAL SERVICES

Assistance in Acquisition of Land Rights		
14 hrs. Principal @ \$185.00/hr.		2,590.00
23 hrs. Professional IV @ \$120.00/hr.		2,760.00
4 hrs. Technican II @ \$80.00/hr.		320.00
6 hrs. Support Staff @ \$40.00/hr.		240.00
460 miles @ \$0.55/mile		253.00
Environmental Clearances		
5 hrs. Principal @ \$185.00/hr.		925.00
6 hrs. Technican II @ \$80.00/hr.		480.00
7.5 hrs. Support Staff @ \$40.00/hr.		300.00
Assistance with PSC Approval		
3 hrs. Principal @ \$185.00/hr.		555.00
1.5 hrs. Support Staff @ \$40.00/hr.		60.00
Subtotal	\$	8,483.00

**TOTAL DUE THIS PERIOD** \$ **25,383.00**

108 Court Street  
P.O. Box 614  
Spencer, WV 25276

voice: (304) 927-4574  
telecopier: (304) 927-2802  
e-mail: boyleshildreth@citynet.net



**SPILMAN THOMAS & BATTLE, PLLC**  
ATTORNEYS AT LAW

Direct Dial: (304) 340-3826  
E-mail: [bhelmick@spilmanlaw.com](mailto:bhelmick@spilmanlaw.com)

August 26, 2015

\$336,500  
THE CITY OF WILLIAMSTOWN  
SEWER REVENUE BONDS, 2015 SERIES A  
(WEST VIRGINIA SRF PROGRAM)

Mid-Ohio Valley Regional Council  
Tim S. Meeks, Grants Coordinator  
Post Office Box 247  
Parkersburg, West Virginia 26101

Invoice Number: 5263798

---

Legal fees for professional services rendered to the City of Williamstown in connection with above-referenced Bond Issue.

Closing Date: September 30, 2015

Legal fees and expenses:	
Bond Counsel	\$10,000.00

**Total Due - \$10,000.00**

Wire to: Branch Banking & Trust Co.  
Credit: Spilman Thomas & Battle, PLLC  
Swift Code: BRBTUS33  
ABA Number Routing #: 051503394  
Account Number: 0005176768470  
Invoice Number: 5263798  
Re: File No: 020623.0001

7654112 (018723.0011)



I N V O I C E

Date: September 30, 2015

To: City of Williamstown  
100 West Fifth Street  
Williamstown, WV  
Attn: Mayor

Re: The City of Williamstown  
Sewer Revenue Bonds  
2015 Series A  
(West Virginia SRF Program)

Amount Due: \$ 500.00

Acceptance Fee \$ 500.00

Please remit to United Bank  
Corporate Trust Department  
P. O. Box 393  
Charleston, WV 25322

Invoice	INV00000000000948
Date	8/31/2013
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P.O. Box 247 • 531 Market Street • Parkersburg WV 26101  
Phone: (304) 422-4993 • Fax: (304) 422-4998  
[www.movrc.org](http://www.movrc.org)

**Bill To:**

CITY OF WILLIAMSTOWN  
CITY BUILDING  
WILLIAMSTOWN WV 26187

**Ship To:**

CITY OF WILLIAMSTOWN  
CITY BUILDING  
WILLIAMSTOWN WV 26187

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.	
SEWER #1	WILL01			Net 30	8/31/2013	0	
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1	0	LABOR	LABOR CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES AUGUST 2013	\$0.00	\$181.25	\$181.25

BOB LEACH 304 4224993 EXT 105

Subtotal	\$181.25
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$181.25</b>

# MOVRC

Mid-Ohio Valley Regional Council

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**Bill To:**

**Ship To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.	
SEWER#2	WILL01			Net 30	9/30/2013	0	
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1	0	LABOR	LABOR CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROEJCT ADMINISTRATIVE SERVICES SEPT 2013	\$0.00	\$430.50	\$430.50

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$430.50
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$430.50</b>

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P.O. Box 247 • 531 Market Street • Parkersburg WV 26101  
Phone: (304) 422-4993 • Fax: (304) 422-4998  
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**Bill To:**

CITY OF WILLIAMSTOWN  
CITY BUILDING  
WILLIAMSTOWN WV 26187

**Ship To:**

CITY OF WILLIAMSTOWN  
CITY BUILDING  
WILLIAMSTOWN WV 26187

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.	
SEWER#3	WILL01			Net 30	10/31/2013	0	
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1	0	LABOR	LABOR CIYT OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES OCT 2013	\$0.00	\$226.58	\$226.58

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$226.58
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$226.58</b>

# MOVRC

Mid-Ohio Valley Regional Council

## Invoice

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Invoice INV00000000000979

Date 12/31/2013

P.O. Box 247 • 531 Market Street • Parkersburg, WV 26101  
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### Regional Council

Bill To: CITY OF WILLIAMSTOWN  
CITY BUILDING  
WILLIAMSTOWN WV 26187

Ship To: CITY OF WILLIAMSTOWN  
CITY BUILDING  
WILLIAMSTOWN WV 26187

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.	
SEWER#4	WILL01			Net 30	12/31/2013	0	
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1	0	LABOR	LABOR CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES DEC 2013	\$0.00	\$514.89	\$514.89

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$514.89
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
Total	\$514.89

Regional Council  
**MOVRC**  
 Mid-Ohio Valley Regional Council

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**Bill To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

**Ship To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.	
SEWER#5	WILL01			Net 30	1/31/2014	0	
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1	0	LABOR	LABOR CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES JAN 2014	\$0.00	\$1,546.27	\$1,546.27

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$1,546.27
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$1,546.27</b>

Regional Council  
**MOVRC**  
 Mid-Ohio Valley Regional Council

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**Bill To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

**Ship To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.	
SEWER#6	WILL01			Net 30	3/31/2014	0	
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1	0	LABOR	LABOR	\$0.00	\$95.76	\$95.76
1	1	0	TRAVEL	TRAVEL	\$0.00	\$16.80	\$16.80
				CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES MAR 2014			

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$112.56
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$112.56</b>

Regional Council

# MOVRC

Mid-Ohio Valley Regional Council

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[www.movrc.org](http://www.movrc.org)

**Bill To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

**Ship To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.	
SEWER#7	WILL01			Net 30	5/31/2014	0	
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1	0	LABOR	LABOR CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES MAY 2014	\$0.00	\$103.73	\$103.73

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$103.73
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$103.73</b>

Regional Council **MOVRC**  
Mid-Ohio Valley Regional Council

Invoice	INV00000000001030
Date	6/30/2014
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**Bill To:**

CITY OF WILLIAMSTOWN  
CITY BUILDING  
WILLIAMSTOWN WV 26187

**Ship To:**

CITY OF WILLIAMSTOWN  
CITY BUILDING  
WILLIAMSTOWN WV 26187

Purchase Order No.		Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.
SEWER#8		WILL01			Net 30	6/30/2014	0
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1	0	LABOR	LABOR CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES JUNE 2014	\$0.00	\$94.15	\$94.15

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$94.15
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$94.15</b>

Regional Council  
**MOVRC**  
 Mid-Ohio Valley Regional Council

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Ship To:

Bill To:

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.	
SEWER#9	WILL01			Net 30	7/31/2014	0	
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1	0	LABOR	LABOR CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES JULY 2014	\$0.00	\$96.43	\$96.43

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$96.43
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
Total	\$96.43

Regional Council  
**MOVRC**  
 Mid-Ohio Valley Regional Council

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**Bill To:**

**Ship To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.		Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.
SEWER#10		WILL01			Net 30	8/31/2014	0
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1	0	TELEPHONE	Telephone CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES AUGUST 2014	\$0.00	\$54.48	\$54.48

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$54.48
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
Total	\$54.48

Regional Council

# MOVRC

Mid-Ohio Valley Regional Council

Invoice	INV00000000001058
Date	9/30/2014
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Ship To:

Bill To:

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.	
SEWER#11	WILL01			Net 30	9/30/2014	0	
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1		0	LABOR	\$0.00	\$515.41	\$515.41
1	1		0	TRAVEL	\$0.00	\$16.80	\$16.80
1	1		0	POSTAGE	\$0.00	\$5.32	\$5.32
				CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES SEPT 2014			

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$537.53
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$537.53</b>

Regional Council  
**MOVRC**  
 Mid-Ohio Valley Regional Council

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P.O. Box 247 • 531 Market Street • Parkersburg WV 26101  
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[www.movrc.org](http://www.movrc.org)

**Bill To:**

**Ship To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.	
SEWER#12	WILL01			Net 30	10/31/2014	0	
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1	0	LABOR	LABOR CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES OCT 2014	\$0.00	\$389.13	\$389.13

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$389.13
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$389.13</b>

Regional Council  
**MOVRC**  
 Mid-Ohio Valley Regional Council

Invoice	INV00000000001074
Date	11/30/2014
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P.O. Box 247 • 531 Market Street • Parkersburg WV 26101  
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[www.movrc.org](http://www.movrc.org)

**Bill To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

**Ship To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.	
SEWER#13	WILL01			Net 30	11/30/2014	0	
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1	0	TRAVEL	TRAVEL CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES NOV 2014	\$0.00	\$16.95	\$16.95

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$16.95
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$16.95</b>

Regional Council  
 531 MARKET STREET  
 PO BOX 247  
 PARKERSBURG WV 26101-0247



Invoice	INV00000000001091
Date	12/31/2014
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P.O. Box 247 • 531 Market Street • Parkersburg WV 26101  
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[www.movrc.org](http://www.movrc.org)

**Bill To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

**Ship To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.	
SEWER#14	WILL01			Net 30	12/31/2014	0	
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1	0	LABOR	LABOR	\$0.00	\$255.54	\$255.54
1	1	0	POSTAGE	POSTAGE	\$0.00	\$0.48	\$0.48
1	1	0	PRINTING	PRINTING	\$0.00	\$0.03	\$0.03
				CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES DEC 2014			

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$256.05
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$256.05</b>

Invoice	INV0000000001095
Date	1/31/2015
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**Bill To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

**Ship To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.	
SEWER#15	WILL01			Net 30	1/31/2015	0	
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1	0	TRAVEL	TRAVEL CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES JAN 2015	\$0.00	\$17.25	\$17.25

Project Manager Tim Meeks 304-422-4993 Ext. 135

Subtotal	\$17.25
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Disc	\$0.00
Total	\$17.25

Regional Council  
 531 MARKET STREET  
 PO BOX 247  
 PARKERSBURG WV 26101-0247



Invoice	INV0000000001105
Date	2/28/2015
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**Bill To:**

**Ship To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.		Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.
SEWER#16		WILL01			Net 30	2/28/2015	0
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1	0	LABOR	LABOR	\$0.00	\$1,036.09	\$1,036.09
1	1	0	TRAVEL	TRAVEL CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES FEB 2015	\$0.00	\$16.10	\$16.10

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$1,052.19
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
Total	\$1,052.19

Invoice	INV00000000001117
Date	3/31/2015
Page	1

P.O. Box 247 • 531 Market Street • Parkersburg WV 26101  
 Phone: (304) 422-4993 • Fax: (304) 422-4998

[www.movrc.org](http://www.movrc.org)

Ship To:

Bill To:

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.	
SEWER#17	WILL01			Net 30	3/31/2015	0	
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1	0	LABOR	LABOR	\$0.00	\$591.47	\$591.47
1	1	0	TRAVEL	TRAVEL	\$0.00	\$17.25	\$17.25
1	1	0	POSTAGE	POSTAGE	\$0.00	\$5.95	\$5.95
				CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES MAR 2015			

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$614.67
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
Total	\$614.67

Regional Council  
 531 MARKET STREET  
 PO BOX 247  
 PARKERSBURG, WV 26101-0247



Invoice	INV00000000001127
Date	4/30/2015
Page	1

P.O. Box 247 • 531 Market Street • Parkersburg WV 26101  
 Phone: (304) 422-4993 • Fax: (304) 422-4998

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**Bill To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

**Ship To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.		Customer ID		Salesperson ID		Shipping Method		Payment Terms		Req. Ship Date		Master No.	
SEWER#18		WILL01						Net 30		4/30/2015		0	
Ordered	Shipped	B/O	Item Number	Description				Discount	Unit Price	Ext. Price			
1	1	0	LABOR	LABOR				\$0.00	\$1,433.70	\$1,433.70			
1	1	0	TRAVEL	TRAVEL CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES APR 2015				\$0.00	\$13.80	\$13.80			

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$1,447.50
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$1,447.50</b>

Regional Council  
 531 MARKET STREET  
 PO BOX 247  
 PARKERSBURG WV 26101-0247



Invoice	INV0000000001150
Date	5/31/2015
Page	1

P.O. Box 247 • 531 Market Street • Parkersburg WV 26101  
 Phone: (304) 422-4993 • Fax: (304) 422-4998

[www.movrc.org](http://www.movrc.org)

**Bill To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

**Ship To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.		Customer ID		Salesperson ID		Shipping Method		Payment Terms		Req Ship Date		Master No.	
SEWER#19		WILL01						Net 30		5/31/2015		0	
Ordered	Shipped	B/O	Item Number	Description				Discount	Unit Price	Ext. Price			
1	1	0	LABOR	LABOR				\$0.00	\$2,118.78	\$2,118.78			
1	1	0	TRAVEL	TRAVEL CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES MAY 2015				\$0.00	\$17.25	\$17.25			

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$2,136.03
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$2,136.03</b>

Regional Council  
 531 MARKET STREET  
 PO BOX 247  
 PARKERSBURG WV 26101-0247



Invoice	INV00000000001155
Date	6/30/2015
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P.O. Box 247 • 531 Market Street • Parkersburg WV 26101  
 Phone: (304) 422-4993 • Fax: (304) 422-4998

[www.movrc.org](http://www.movrc.org)

**Bill To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

**Ship To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.		Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.
SEWER#20		WILL01			Net 30	6/30/2015	0
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1	0	LABOR	LABOR	\$0.00	\$1,197.54	\$1,197.54
1	1	0	TRAVEL	TRAVEL	\$0.00	\$32.20	\$32.20
1	1	0	POSTAGE	POSTAGE	\$0.00	\$0.97	\$0.97
1	1	0	PRINTING	PRINTING	\$0.00	\$0.03	\$0.03
				CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES JUNE 2015			

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$1,230.74
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$1,230.74</b>

Regional Council  
 531 MARKET STREET  
 PO BOX 247  
 PARKERSBURG WV 26101-0247  
**MOVRC**  
 Mid-Ohio Valley Regional Council

Invoice	INV0000000001170
Date	7/31/2015
Page	1

P.O. Box 247 • 531 Market Street • Parkersburg WV 26101  
 Phone: (304) 422-4993 • Fax: (304) 422-4998

[www.movrc.org](http://www.movrc.org)

**Bill To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

**Ship To:**

CITY OF WILLIAMSTOWN  
 CITY BUILDING  
 WILLIAMSTOWN WV 26187

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.	
SEWER#21	WILL01			Net 30	7/31/2015	0	
Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1	1	0	LABOR	LABOR	\$0.00	\$98.31	\$98.31
1	1	0	TRAVEL	TRAVEL	\$0.00	\$40.25	\$40.25
				CITY OF WILLIAMSTOWN SEWER LINE REPLACEMENT PROJECT ADMINISTRATIVE SERVICES JULY 2015			

PROJECT MANAGER: TIM MEEKS 304-422-4993 EXT. 135

Subtotal	\$138.56
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
<b>Total</b>	<b>\$138.56</b>

**BI**

**Boyles and Hildreth**  
CONSULTING ENGINEERS

JAMES B. HILDRETH, P.E.

September 26, 2012

City of Williamstown  
100 W. Fifth Street  
Williamstown, WV 26187-1597

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**I N V O I C E**

for professional services rendered in connection with the preparation of application for CSX Sanitary Sewerline crossing permits:

37 hrs. @ \$90.00/hr.	\$3,330.00
1.5 hrs. @ \$150.00/hr.	225.00
240 miles @ \$0.55/mile	132.00

**TOTAL AMOUNT DUE                    \$3,687.00**

108 Court Street  
P.O. Box 614  
Spencer, WV 25276

voice: (304) 927-4574  
telecopier: (304) 927-2802  
e-mail: boyleshildreth@citynet.net

**Myers Law Offices**

201 Third Street  
P. O. Box 287  
Parkersburg, WV 26102-0287  
(304) 485-3600

**STATEMENT OF ACCOUNT**

BILL TO
The City of Williamstown 100 West Fourth Street Williamstown, WV 26187

DATE
September 1, 2015

**ITEMIZATION OF  
LEGAL SERVICES RENDERED AND EXPENSES INCURRED INCIDENT TO  
WILLIAMSTOWN CSX PROJECT,  
PUBLIC SERVICE COMMISSION CASE NO: 14-16-10-S-CN  
THROUGH SEPTEMBER 1, 2015**

DATE	DESCRIPTION	HOURS	AMOUNT
8/19/14	Phone conference with Tim Meeks	0.2	
8/29/14	Conference call with Meeks and others; PC with Susan Knopp	0.7	
8/31/14	Review documents re: CSX Replacement Project; Review PSC Rules re: Rule 42 filings	2.5	
9/9/14	PC with Knopp; Email exchanges with Knopp and Meeks; Review City of Rainelle Agreement	1.8	
9/10/14	Review email from Meeks (with attachments)	0.4	
9/11/14	Review Statute; Prepare Application for Certificate of Convenience and Necessity	1.5	
9/12/14	Email to Meeks	0.2	
9/15/14	Finalize Application; Prepare Notice of Filing; PC with Knopp; Email to Meeks; Letters to Public Service Commission and Mayor Ford	2.0	
9/16/14	Email from PSC; Review Order and Revised Notice of filing; PC with Knopp	0.6	
9/17/14	Letter from PSC; PC with Knopp	0.3	
9/18/14	Email exchange with Meeks; Review Right of Way information	0.4	
9/19/14	PC with Meeks	0.2	
10/1/14	Review PSC Order	0.1	
10/3/14	Email from PSC; Letter to Mayor Ford	0.2	

10/3/14	Review Right of Way Memo	0.2
10/9/14	PC with Knopp; Review PSC Discovery Request	0.5
10/10/14	Obtain and confirm property information re: Rights of Way	1.5
10/16/14	Review letter from City Engineer with Plats	0.2
10/17/14	Work in Record Room; Preparation of Rights of Way (7); Letter to Knopp	1.5
10/22/14	Review emails from Meeks and Hildreth	0.5
10/23/14	PC with Meeks	0.2
10/29/14	PC with Knopp	0.1
10/30/14	PC with Knopp; Email exchange with Meeks; Prepared "draft" of Discovery Responses to PSC	0.8
11/3/14	Email from Meeks	0.1
11/4/14	Prepare Supplemental Discovery Responses; Letter to PSC; Prepare revised Rights of Way (7); Letter to Alan Gates	1.4
11/12/14	Review Bond Ordinance; Forward to PSC	1.5
11/14/14	Email from PSC	0.1
11/20/14	PC with Meeks	0.4
11/26/14	Email from Meeks; Review correspondence	0.2
12/2/14	Second revisions to Rights of Way	1.0
12/4/14	Email exchange with Hildreth; Review Funding Letter	0.3
12/5/14	Prepare and file Supplemental Discovery Responses	0.4
12/10/14	PC with Gates	0.3
12/15/14	Review PSC Staff Memorandum; Email to Meeks	0.4
12/17/14	PC with Meeks	0.2
1/13/15	Review PSC Order	0.3
1/15/15	Letter to Meeks	0.3
2/6/15	PC with Gates; Third revision to Rights of Way; Email to Knopp	0.7
3/10/15	PC with Gates; Attend meeting with property owners	2.2
3/11/15	PC with Gates; Revise Baker Right of Way; PC with Mayor Ford; Email to Gates	0.9
3/13/15	PC with Meeks	0.2
3/19/15	Prepare Preliminary Title Opinion	0.5

4/3/15	Email from Meeks	0.1	
4/8/15	Record Rights of Way; Email exchange with PSC; Letter to Mayor Ford	0.7	
4/15/15	Letter to Knopp	0.1	
4/17/15	Review PSC Staff Memorandum; PC with Meeks; Letter to Mayor Ford	0.9	
4/23/15	Email exchange with Meeks	0.1	
4/29/15	Review PSC Supplemental Staff Memorandum; Letter to Mayor Ford	0.4	
5/12/15	Review Final PSC Decision; Letter to Mayor Ford	0.3	
6/22/15	Letter to PSC	0.2	
7/28/15	Email from Meeks; Review Project Schedule	0.2	
7/31/15	PC with Meeks; Review file; Email copy of Preliminary Title Opinion	0.5	
8/4/15	Project conference call; Prepare Final Title Opinion	1.0	
8/5/15	Review email from Meeks; Review updated Project documents; Letter to PSC	0.6	
8/10/15	Review PSC emails	0.1	
8/17/15	PC with Elizabeth Benedetto	0.2	
9/1/15	Conference call	0.7	
	<b>34.1 hours at \$150.00 per hour</b>		<b>\$5,115.00</b>
	<b>EXPENSES:</b>		
	Duplication expenses		\$87.97
	Recordation of Rights of Way		\$77.00
<b>BALANCE DUE</b>			<b>\$5,279.97</b>



Statement of Fees

Page  
Account/Contract  
Customer Project No.

1 of 1  
CSX706661

Date 7/20/2012

**Customer**

CITY OF WILLIAMSTOWN  
100 WEST FIFTH STREET  
WILLIAMSTOWN, WV 26187

**Fees - At - A - Glance**

Amount Due \$ 4900.00

**Fees Summary**

One-Time License Fee	\$	4000.00
Railroad Protective Liability (Article 10.5)	\$	750.00
Scheduling Fee	\$	150.00

Total Current Fees \$ 4900.00

**News You Can Use**

CSX Federal ID No.  
CSX Canadian ID No.  
CSX Quebec ID No.

54-6000720  
105203095 RC 0001  
1022434469 IC 0001

**Please remit payment to:**

**CSX Transportation, Inc.**  
**6737 Southpoint Dr. S., J180**  
**Jacksonville, FL 32216**  
**Attention: Melanie Perea**

Questions? Contact:

[melanie\\_perea@csx.com](mailto:melanie_perea@csx.com)  
904.279.3946



Print Form

Reset Form

Mail To: CSX Transportation, Inc.  
ATTN: Corridor Occupancy Services  
500 Water Street, J-180  
Jacksonville, FL 32202

FORM CSXT #A01 03/30/09

Page 1 of 2

Submittal Must Include Drawing(s) and Review Fee(s)

# APPLICATION FOR FACILITY/UTILITY INSTALLATIONS

Application Date: Apr 20, 2012

CSXT File/Agreement Number: \_\_\_\_\_

## SECTION 1: FACILITY OWNER INFORMATION

TO BE COMPLETED BY APPLICANT

### Owner/Legal Company Identification (required)

Owner's Complete Legal Company Name:	City of Williamstown		
Legal Address (1):	100 West Fifth Street		
Legal Address (2):			
City:	Williamstown	State:	WV
		Zip:	26187
Business Type:	<input type="checkbox"/> Corporation	<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Limited Partnership
	<input checked="" type="checkbox"/> Municipality	<input type="checkbox"/> Limited Liability Partnership	<input type="checkbox"/> General Partnership
State of Incorporation:		Other Business Type - Describe:	

### Billing Address

(Check box if same as above); if not, please complete below.

Billing Address (1):			
Billing Address (2):			
City:		State:	
		Zip:	

### Owner Contact Information

Contact Name:	Bob Kimble	Contact Title:	Public Works Director
Office Phone:	304-375-6128	Ext.:	
		Mobile Phone:	
Email:	williamstownwater@hotmail.com	Emergency Phone:	

## SECTION 2: PROJECT CONTACT INFORMATION

TO BE COMPLETED BY APPLICANT

Check here if address is the same as legal address above.

If not the same as above, check here if agreement should be mailed to this address.

### Project Engineer/Consultant/Agent Information

Engineer/Consultant/Agent Company Name:	Boyles & Hildreth Consulting Engineers		
Contact Name:	Andrew Corkrean		
Mailing Address:	108 Court Street		
City:	Spencer	State:	WV
		Zip:	25276
Office Phone:	304-927-4574	Mobile Phone:	304-377-1962
Email:	boyleshildreth@citynet.net		



**SECTION 3: PROJECT INFORMATION/LOCATION**

**TO BE COMPLETED BY APPLICANT**

**Project Reference**

Is this covered by an existing CSX permit/agreement or master agreement:

- Yes
- No

Provide Agreement # and/or date: **Unknown (replacing an existing crossing)**

Is this project related to another transaction/project with CSX:

- Yes
- No

Describe:

Provide utility owner project reference number:

**Project Scope**

Check box to indicate type of installation request:

- New Installation Request
- Upgrade/Replacement/Relocation of Existing Facilities

Will proposed installation connect to an existing facility within railroad corridor:

- Yes
- No

Provide name of connecting facility owner:

Check all boxes that apply to indicate type of installation request:

- Sub-grade
- Aerial

If "Sub-grade," check all boxes that apply to indicate proposed method of installation:

- Jack & Bore
- Horizontal Directional Drill
- Other

Describe:

**Project Description**

Description / Scope (Include: purpose, scope of work, materials, equipment, geographic features, special conditions):

**The City of Williamstown is planning to replace an existing sanitary sewerline crossing located near STA 7450 between Milepost W-81 & W-82. The City plans to jack & bore a 18" steel casing pipe and load with a 12" PVC carrier pipe. The proposed crossing will be located downstream of the existing 12" crossing that will be abandoned and filled with grout in accordance with CSX requirements.**

**Project Location**

City: **Williamstown**

County: **Wood**

State: **West Virginia**

Will facility installation be located entirely within public road right-of-way:

- Yes
- No

Provide AAR/DOT Crossing Inventory Number of Road (posted at crossing):



