

The City of Charleston, West Virginia
\$686,229 Sewerage System Revenue Bonds, 1999 Series A
\$132,072 Sewerage System Revenue Bonds, 1999 Series B
(Mt. Tyler Public Service District)

CLOSING DATE: June 22, 1999

Bill No. 6544

Ordinance No. 6544

Introduced in Council:

January 19, 1999

Referred to:

Council Committee on Finance

Introduced by:

David J. Hardy

Passed by Council:

February 1, 1999

1 A Bill supplementing Ordinance No. 4828 passed by the Council of The City of Charleston,
2 West Virginia, on April 20, 1992, as supplemented by Ordinances No. 4954, No. 6276, No.
3 6349 and No. 6532, which authorized the acquisition and construction of certain extensions,
4 additions, betterments and improvements to the sewerage system of The City of Charleston;
5 authorizing the merger of the assets of the Mt. Tyler Public Service District into the sewerage
6 system of the City; authorizing the assumption of certain debt of the Mt. Tyler Public Service
7 District; authorizing the issuance of not more than \$850,000 in aggregate principal amount
8 of Sewerage System Revenue Bonds, in one or more additional series as may be required,
9 of said The City of Charleston to be used, along with other funds and moneys of, or available
10 to, The City of Charleston which may be lawfully expended for such purposes, to evidence
11 the assumption of said debt; providing for the rights and remedies of and security for the
12 holders of such bonds; and adopting other provisions related thereto.

13
14 Be It Ordained by the Council of The City of Charleston, West Virginia, as Follows:

15
16
17 ARTICLE I

18
19 STATUTORY AUTHORITY, DEFINITIONS AND FINDINGS

20
21 Section 1.01. Authority for this Ordinance. This Ordinance is enacted
22 pursuant to the provisions of Chapter 16, Article 13, of the Code of West Virginia, 1931, as
23 amended (the "Act"), and other applicable provisions of law, and as a supplement to
24 Ordinance No. 4828, passed by the Council of The City of Charleston (the "Council") on the
25 20th day of April, 1992, as supplemented by Ordinance No. 4954, passed by the Council on
26 May 3, 1993, as supplemented by Ordinance No. 6276, passed by the Council on
27 September 3, 1996, as supplemented by Ordinance No. 6349, passed by the Council on
28 June 2, 1997, and as supplemented by Ordinance No. 6532 passed by the Council on
29 November 16, 1998.
30

1 Section 1.02. Findings. It is hereby found, determined and declared as
2 follows:
3

4 A. The City of Charleston, West Virginia (the "City") now owns a
5 sewerage system (the "System"), both within and without the corporate limits of the City,
6 consisting of a sewage treatment plant and a composting facility and its collecting,
7 intercepting and outlet sewers, lateral sewers, drains, force mains, conduits, pumping stations
8 and all other appurtenances, extensions, improvements and betterments necessary,
9 appropriate, useful, convenient or incidental for the collection, treatment and disposal in a
10 sanitary manner of sanitary sewage and industrial wastes.
11

12 B. In accordance with Section 2 of the Act, the System is under the
13 supervision and control of the Sanitary Board of the City (the "Sanitary Board").
14

15 C. Mt. Tyler Public Service District (the "District") is a public service
16 district created pursuant to Chapter 16, Article 13A of the West Virginia Code, 1931, as
17 amended (the "Code") and currently provides sewer collection service to approximately 549
18 customers. The City treats sewerage from District pursuant to a treatment agreement dated
19 June 9, 1987.
20

21 D. The City and the District signed a September 16, 1997, agreement
22 concerning the proposed merger providing that the City will take possession of all the
23 property and assets of the District, the City will assume all of the legal and financial
24 obligations of the District and the customers served by the District will become customers
25 to be served by the City.
26

27 E. On February 26, 1998, the District and the City jointly petitioned the
28 Public Service Commission of West Virginia (the "Commission") for permission to merge
29 the District's system into the City's System, thereby lowering the rates paid by the District's
30 customers.
31

32 F. The Commission approved the merger by an order dated October 15,
33 1998 (the "Order").
34

35 G. The acquisition and construction of the System were financed or
36 refinanced in part by the proceeds of prior bond and note issues of the City, including The
37 City of Charleston \$1,912,194 Sewer Revenue Bonds, Series 1989 dated March 21, 1989 and
38 The City of Charleston \$829,856 Sewer Revenue Bonds, Series 1989 B dated November 21,
39 1989 (the "WDA First Lien Bonds") and The City of Charleston \$283,458 Supplemental
40 Sewer Revenue Bonds, Series 1989 dated March 21, 1989 and The City of Charleston
41 \$123,015 Supplemental Sewer Revenue Bonds, Series 1989 B, dated November 21, 1989
42 (the "WDA Subordinate Bonds," and collectively with the WDA First Lien Bonds, the
43 "WDA Bonds"), the \$2,955,000 The City of Charleston Sewerage System Refunding
44 Revenue Bonds, Series 1992 A, and the \$6,670,000 The City of Charleston Sewerage System
45 Refunding and Improvement Revenue Bonds, Series 1992 B (the "1992 Bonds"), the

1 \$773,237 The City of Charleston Sewerage System Revenue Bonds, 1993 Series A (the
2 "1993 Bonds"), the \$2,671,058 The City of Charleston Sewerage System Revenue Bonds,
3 Series 1996 A, the \$395,299 The City of Charleston Sewerage System Revenue Bonds,
4 Series 1996 B (the "1996 Bonds"), the \$732,688 The City of Charleston Sewerage System
5 Revenue Bonds, Series 1997 A and the \$5,237,584 The City of Charleston Sewerage System
6 Revenue Bonds, Series 1997 B (collectively, the "1997 Bonds"), and the \$994,537 The City
7 of Charleston Sewerage System Revenue Bonds, 1998 Series A (the "1998 Bonds"), (the
8 1993 Bonds, the 1996 Bonds, the 1997 Bonds and the 1998 Bonds, collectively with the
9 WDA First Lien Bonds and the 1992 Bonds, are hereinafter called the "Prior Bonds"). The
10 Prior Bonds are equally and ratably secured under the provisions of Ordinance No. 4828
11 passed by Council of the City on April 20, 1992, as supplemented by Ordinance No. 4954
12 passed by Council on May 3, 1993, as supplemented by Ordinance No. 6276 passed by the
13 Council on September 3, 1996, as supplemented by Ordinance No. 6349, passed by the
14 Council on June 2, 1997, and, as supplemented by Ordinance No. 6532, passed by the
15 Council on November 16, 1998 (collectively, the "Prior Ordinance") which amended and
16 superseded several prior ordinances of the City relating to the System and the issuance of
17 bonds and notes to finance the acquisition and construction of portions of the System. The
18 WDA Subordinate Bonds are subordinate and junior as to lien and sources of payment to the
19 Prior Bonds. (The Prior Bonds and the WDA Subordinate Bonds are hereinafter referred to
20 from time to time as the "Prior Debt.")
21

22 H. The Prior Bonds are currently outstanding in the approximate aggregate
23 principal amount of \$21,000,000, and the WDA Subordinate Bonds are currently outstanding
24 in the aggregate principal amount of \$323,094.
25

26 I. The acquisition and construction of the District's system were financed
27 in part by the proceeds of District's \$730,760 Mt. Tyler Public Service District Sewer
28 Revenue Bonds, Series 1987 A (the "Series 1987 A Bonds") and the Mt. Tyler Public
29 Service District Sewer Revenue Bonds, Series 1987 B (the "Series 1987 B Bonds") in the
30 principal amount of \$179,240 (collectively, the "District Bonds"). The Series 1987 B Bonds
31 were issued subordinate and junior as to lien and source of payment to the Series 1987 A
32 Bonds. The District sold the Bonds to the West Virginia Water Development Authority (the
33 "Authority"). The Authority through correspondence with the Commission has stated that
34 it will permit the City's assumption of the District's Bonds on parity with the City's Prior
35 Bonds and the WDA Subordinate Bonds.
36

37 J. The City derives revenues from the System, and, except for the pledges
38 thereof to secure and pay the Prior Debt, said revenues are not pledged or encumbered in any
39 manner.
40

41 K. It is necessary and essential to acquire the assets of the District and to
42 assume the District's outstanding debt in order to preserve the public health, to be financed
43 through the issuance of bonds pursuant to this Ordinance in one or more series (the "1999
44 Bonds") in an aggregate principal amount not to exceed \$850,000.
45

1 L. The estimated revenues to be derived in each year after the enactment
2 of this Ordinance from the operation of said System, after the merger, will be sufficient to
3 pay all the costs of the operation and maintenance of said System, the principal of and
4 interest on the Prior Debt and the 1999 Bonds authorized to be issued pursuant to this
5 Ordinance and all sinking fund, reserve account and other payments provided for in this
6 Ordinance or the Prior Ordinance.
7

8 M. The 1999 Bonds and the Certificate of Authentication and Registration
9 to be endorsed thereon are to be in substantially the form set forth in Exhibit A attached
10 hereto and incorporated herein by reference with necessary and appropriate variations,
11 omissions and insertions as permitted or required by this Ordinance or a Supplemental
12 Resolution or as deemed necessary by the Registrar or the City.
13

14 N. All things necessary to make the 1999 Bonds, when authenticated by
15 the Registrar and issued as in this Ordinance provided, the valid, binding and legal special
16 obligations of the City according to the import thereof, and to validly pledge and assign those
17 funds pledged hereby to the payment of the principal of and interest on the 1999 Bonds, will
18 be timely done and duly performed.
19

20 O. The enactment of this Ordinance, and the execution and issuance of the
21 1998 Bonds, subject to the terms thereof, will not result in any breach of, nor constitute a
22 default under, any instrument to which the City is a party or by which it may be bound or
23 affected.
24

25 P. The City is a governmental unit which has general taxing powers to
26 finance operations of or facilities of the nature of the Project and the System; 95% or more
27 of the Net Proceeds of the Series 1999 Bonds are to be used for local government activities
28 of the City (or of a governmental unit the jurisdiction of which is entirely within the
29 jurisdiction of the City).
30

31 Q. It is deemed necessary for the City to issue its 1999 Bonds in the
32 aggregate principal amount of not more than \$850,000 to evidence the assumption of the
33 District's Bonds, said 1999 Bonds to be issued simultaneously with the completion of the
34 merger.
35

36 R. It is in the best interests of the City that its 1999 Bonds be delivered to
37 the West Virginia Water Development Authority in exchange for the District's Bonds.
38

39 S. The Commission has approved a surcharge of \$2.14 per month for the
40 customers of the District to be charged until the District's outstanding bond debt is retired.
41 The reserve funds for the Series 1987 A Bonds and Series 1987 B Bonds respectively are
42 funded at the level required therefor and will be transferred to the 1999 Bonds as part of the
43 merger.
44

1 T. The revenues of the System of the City after the merger, together with
2 the surcharge, will be sufficient to pay all the costs of the operation and maintenance of said
3 System and the debt service on the Prior Debt and the 1999 Bonds.
4

5 U. Prior to the merger, the City shall receive a certificate from an
6 independent certified public accountant that the City will meet the coverage requirement
7 established in the Prior Ordinance. The 1999 Bonds, which replace the District's Series
8 1987 A Bonds, shall be issued with a lien on the Net Revenues on a parity with the lien held
9 by the registered owners of the Prior Bonds, but the lien of such 1999 Bonds shall be senior
10 and superior to the lien of the registered owners of the WDA Subordinate Bonds. The lien
11 of the 1999 Bonds, which replace the District's Series 1987 B Bonds, will be on parity with
12 the WDA Subordinate Bonds and junior to the Prior Bonds and the first lien 1999 Bonds.
13

14 V. It is in the best interests of the City and the District for the City to
15 acquire the District's assets by merger.
16

17 W. The City will not permit, at any time, any of the proceeds of the 1999
18 Bonds or any other funds of the City to be used directly or indirectly in a manner which
19 would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of
20 the Code.
21

22 Section 1.03. Ordinance Constitutes Contract. In consideration of the
23 acceptance of the 1999 Bonds authorized to be issued hereunder by those who shall hold the
24 same from time to time, this Ordinance shall be deemed to be and shall constitute a contract
25 between the City and such Bondholders, and the covenants and agreements herein set forth
26 to be performed by said City shall be for the equal benefit, protection and security of the
27 legal holders of any and all of such 1999 Bonds issued hereunder, all of which shall be of
28 equal rank and without preference, priority or distinction between any one 1999 Bond and
29 any other 1999 Bonds by reason of priority of issuance or otherwise, except as expressly
30 provided therein and herein.
31

32 Section 1.04. Definitions. Except as provided below, terms used in this
33 Supplemental Ordinance have the meanings set forth in the Prior Ordinance, as supplemented
34 by this Supplemental Ordinance, unless the context expressly requires otherwise.
35

36 "Bondholder" or "Owner of the 1999 Bonds" or "Registered Owner" or any
37 similar term shall mean any person who shall be the registered owner of any Outstanding
38 Bond as hereinafter defined.
39

40 "Closing Date" shall mean the date or dates upon which the acquisition by
41 merger of the assets of Mt. Tyler Public Service District by The City of Charleston is
42 complete.
43

1 "Code" shall mean the Internal Revenue Code of 1986, as amended, including
2 the rules and regulations promulgated pursuant thereto or any predecessors or successors
3 thereto.
4

5 "Debt Service" shall mean the scheduled amount of interest and amortization
6 of principal payable on the 1999 Bonds during the period of computation, excluding amounts
7 scheduled during such period which relate to principal which has been retired before the
8 beginning of such period.
9

10 "1999 Bonds" or "Bonds originally authorized hereby" or similar phrases shall
11 mean the not more than \$850,000 in aggregate principal amount of Sewerage System
12 Revenue Bonds issued in one or more series for the purpose of assuming the District's Bonds
13 and for such other purposes permitted hereby and authorized by a resolution supplemental
14 hereto.
15

16 "Outstanding" when used with reference to 1999 Bonds, as of any particular
17 date, describes all such 1999 Bonds theretofore and thereupon being authenticated and
18 delivered except (i) any such 1999 Bond cancelled by the Registrar, at or prior to said date;
19 (ii) any such 1999 Bond for the payment of which moneys, equal to its principal amount,
20 with interest to the date of maturity of any such 1999 Bond, shall be in trust hereunder and
21 set aside for such payment (whether upon or prior to maturity); (iii) any such 1999 Bond
22 deemed to have been paid as provided in Article X of the Prior Ordinance; and (iv) for
23 purposes of consents or other action by a specified percentage of Bondholders, any such
24 1999 Bond registered to the City.
25

26 "Registrar" shall mean the entity named as such in the Supplemental
27 Resolution.
28

29 "Supplemental Ordinance" or "this Ordinance" shall mean this ordinance as
30 hereafter amended or supplemented.
31

32 "Supplemental Resolution" shall mean any resolution, ordinance or order of
33 the City supplementing or amending this Ordinance and, when preceded by the article "the",
34 refers specifically to the supplemental resolutions authorizing the sale of one or more series
35 of the 1999 Bonds; provided, that any matter intended by this Ordinance to be included in
36 the Supplemental Resolution with respect to the 1999 Bonds and not so included may be
37 included in another Supplemental Resolution.
38

39 "System" shall mean the complete existing sewerage system now owned by the
40 City and managed by the Sanitary Board, consisting of a sewerage treatment and collection
41 system, and shall include any extensions, additions, betterments and improvements thereto,
42 including the wastewater treatment facility, hereafter acquired or constructed for said
43 sewerage system from any sources whatsoever, both within and without said City, including
44 after the merger, the assets of the District.
45

1 Words importing singular number shall include the plural number in each case
2 and vice versa, and words importing persons shall include firms and corporations. Words
3 importing the masculine gender include all other genders.
4

5 Additional terms and phrases are defined in this Ordinance as they are used.
6 Accounting terms not specifically defined herein shall be given meaning in accordance with
7 general accepted accounting principles.
8

9 The terms "herein", "hereunder", "hereby", "hereto", "hereof" and any similar
10 terms refer to this Ordinance; and the term "hereafter" means after the date of the enactment
11 of this Ordinance.
12

13 Articles, sections and subsections mentioned by number only are the respective
14 articles, sections and subsections of this Ordinance so numbered.
15

16 17 ARTICLE II

18 19 AUTHORIZATION OF ACQUISITION OF MT. TYLER 20 PUBLIC SERVICE DISTRICT 21

22 Section 2.01. Authorization of Acquisition and Assumption. The acquisition
23 by merger of the assets of the District and assumption of the District's Bonds by the issuance
24 of the 1999 Bonds by the City is hereby authorized.
25

26 27 ARTICLE III

28 29 AUTHORIZATION, TERMS, EXECUTION 30 AND REGISTRATION OF 1999 BONDS 31

32 Section 3.01. Authorization and Terms of 1999 Bonds. For the purpose of
33 assuming the District's Bonds, there shall be issued the 1999 Bonds of the City. The 1999
34 Bonds shall be issued in one or more series with the first series to be designated 1999 Series
35 A, the second series as 1999 Series B, and so on, of "Sewerage System Revenue Bonds" in
36 an aggregate principal amount of not more than \$850,000. Each series of 1999 Bonds shall
37 be dated as of the date of delivery of each series thereof, shall bear such interest not to
38 exceed the legal interest rate (12%), shall mature at such times, not to exceed forty years, and
39 in such amount as shall be set out in the Supplemental Resolution. The repayment of
40 principal and interest, if any, on each series of 1999 Bonds shall be as set forth on
41 Schedule Y to the District's Loan Agreement. The 1999 Bonds shall contain such other
42 terms, provisions, conditions and limitations, all as provided by this Ordinance and as the
43 Council of the City shall prescribe by resolution (or by supplemental or amendatory
44 ordinance of said Council as said Council shall determine) adopted in connection with the
45 delivery of such 1999 Bonds.

1 The 1999 Bonds shall be payable as to principal at the principal office of the
2 Paying Agent in any coin or currency which, on the dates of payment of principal is legal
3 tender for the payment of public or private debts under the laws of the United States of
4 America. Interest on the 1999 Bonds shall be paid by check or draft mailed to the registered
5 owner thereof at the address as it appears on the books of the Bond Registrar, provided, that
6 so long as the Authority is the owner thereof, interest on the 1999 Bonds may be paid by
7 wire transfer or other methods satisfactory to the City, the Paying Agent and the Authority.
8

9 Unless otherwise provided by the Supplemental Resolution, the 1999 Bonds
10 shall be issued in the form of a single bond for each series, fully registered to the Authority,
11 with a record of advances and a payment record attached, representing the aggregate
12 principal amount, and shall mature in principal installments, all as provided in the Loan
13 Agreement and said Supplemental Resolution. The 1999 Bonds shall be exchangeable at the
14 option and expense of the Bondholder for other fully registered 1999 Bonds in aggregate
15 principal amount equal to the amount of said 1999 Bonds then Outstanding, with principal
16 installments or maturities, as applicable, corresponding to the dates of payment of principal
17 installments of said 1999 Bonds; provided, that the Authority shall not be obligated to pay
18 any expenses of such exchange.
19

20 Section 3.02. Execution of Bonds. Said Bonds shall be executed in the name
21 of the City by the Mayor and attested by the Recorder, and the seal of the City shall be
22 affixed thereto or imprinted thereon. In case any one or more of the officers who shall have
23 signed or sealed any of the Bonds shall cease to be such officer of the City before the Bonds
24 so signed and sealed have been sold and delivered, such Bonds may nevertheless be sold and
25 delivered as herein provided and may be issued as if the person who signed or sealed such
26 Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf
27 of the City by such person as, at the actual time of the execution of such Bonds, shall hold
28 the proper office in the City, although at the date of such Bonds such person may not have
29 held such office or may not have been so authorized.
30

31 Section 3.03. Authentication and Registration. No Bond shall be valid or
32 obligatory for any purpose or entitled to any security or benefit under this Ordinance unless
33 and until the Certificate of Authentication and Registration on such Bond, substantially in
34 the form set forth in Section 3.08, shall have been duly manually executed by the Registrar.
35 Any such executed Certificate of Authentication and Registration upon any such Bond shall
36 be conclusive evidence that such Bond has been authenticated, registered and delivered under
37 this Ordinance. The Certificate of Authentication and Registration on any Bond shall be
38 deemed to have been executed by the Registrar if manually signed by an authorized officer
39 of the Registrar, but it shall not be necessary that the same officer sign the Certificate of
40 Authentication and Registration on all of the Bonds issued hereunder.
41

42 Section 3.04. Negotiability, Transfer and Registration. Subject to the
43 provisions for transfer of registration set forth below, the Bonds shall be, and have all of the
44 qualities and incidents of, negotiable instruments under the Uniform Commercial Code of
45 the State of West Virginia, and each successive owner, in accepting any of said Bonds shall

1 be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities
2 and incidents of negotiable instruments under the Uniform Commercial Code of the State of
3 West Virginia, and each successive owner shall further be conclusively deemed to have
4 agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value in
5 the manner provided hereinafter in the form of said Bonds.
6

7 So long as any of the 1999 Bonds remain Outstanding, the City, through the
8 Registrar, shall keep and maintain books for the registration and transfer of the Bonds.
9

10 The 1999 Bonds shall be transferable only upon the books of the Registrar, by
11 the registered Owner thereof in person or by the Owner's attorney duly authorized in writing,
12 upon surrender thereto together with a written instrument of transfer satisfactory to the
13 Registrar, duly executed by the registered Owner or the Owner's duly authorized attorney.
14

15 In all cases in which the privilege of exchanging Bonds or transferring Bonds
16 is exercised, Bonds shall be delivered in accordance with the provisions of this Ordinance.
17 All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the
18 Registrar. For every such exchange or transfer of Bonds, the Registrar may make a charge
19 sufficient to reimburse it for any tax, fee or other governmental charge required to be paid
20 with respect to such exchange or transfer and the cost of preparing each new Bond upon each
21 exchange or transfer, and any other expenses of the Registrar incurred in connection
22 therewith, which sum or sums shall be paid by the City. The Registrar shall not be obliged
23 to make any such exchange or transfer of Bonds during the 15 days preceding an interest
24 payment date on the Bonds, or, in the case of any proposed redemption of Bonds, next
25 preceding the date of the selection of Bonds to be redeemed.
26

27 Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond
28 shall become mutilated or be destroyed, stolen or lost, the City may, in its discretion, issue
29 and deliver a new Bond in exchange and substitution for such mutilated Bond, upon
30 surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond
31 destroyed, stolen or lost, and upon the Owner's furnishing the City proof of ownership
32 thereof and satisfactory indemnity and complying with such other reasonable regulations and
33 conditions as the City may prescribe and paying such expenses as the City may incur and the
34 Registrar shall authenticate the new Bond. All Bonds so surrendered shall be canceled by
35 the Registrar and held for the account of the City. If such Bond shall have matured or be
36 about to mature, instead of issuing a substitute Bond, the City may pay the same, upon being
37 indemnified as aforesaid, and, if such Bond be lost, stolen, or destroyed, without surrender
38 therefor.
39

40 Any such duplicate Bonds issued pursuant to this Section shall constitute
41 original, additional contractual obligations on the part of the City, whether or not the lost,
42 stolen or destroyed Bonds be at any time found by anyone, and such duplicate Bonds shall
43 be entitled to equal and proportionate benefits and rights as to lien and source of security for
44 payment from the revenues pledged herein with all other Bonds issued hereunder.
45

1 Section 3.06. Bonds not to be Indebtedness of the City. The 1999 Bonds shall
2 not, in any event, be or constitute an indebtedness of the City within the meaning of any
3 constitutional or statutory provision or limitation, but shall be payable solely from the Net
4 Revenues derived from the operation of the System as herein provided on parity with the
5 Prior Bonds but senior and superior to the WDA Subordinate Bonds or on a parity with the
6 WDA Subordinate Bonds, as the case may be. No Owner or Owners of any of the Bonds
7 shall ever have the right to compel the exercise of the taxing power of the City to pay the
8 Bonds or any interest thereon.
9

10 Section 3.07. Bonds Secured by Pledge of Net Revenues. The payment of the
11 debt service of all the 1999 Bonds, issued to assume the District's Series 1987 A Bonds,
12 shall be secured forthwith equally and ratably with each other by a first lien on the Net
13 Revenues derived from the System on parity with the Prior Bonds but senior and superior
14 to the WDA Subordinate Bonds. The 1999 Bonds issued to assume the District's Series
15 1987 B Bonds shall be on parity with the WDA Subordinate Bonds. Such Net Revenues in
16 an amount sufficient to pay the principal of and interest on and other payments for the 1999
17 Bonds and the Prior Debt and to make the payments into the sinking funds and the reserve
18 accounts therein and in the Renewal and Replacement Fund established herein or in the Prior
19 Ordinance are hereby irrevocably pledged to the payment of the principal of and any interest
20 on the 1999 Bonds and the Prior Debt as the same become due.
21

22 Section 3.08. Form of 1999 Bonds. The text of the 1999 Bonds shall be of
23 substantially as set forth in Exhibit A, with such omissions, insertions and variations as may
24 be necessary and desirable and authorized or permitted by this Ordinance or any subsequent
25 resolution or ordinance adopted or enacted prior to the issuance thereof.
26

27 Section 3.09. Delivery of 1999 Bonds. Each series of 1999 Bonds shall be
28 issued to the Authority in exchange for the District's Bonds.
29

30 Section 3.10. 1999 Bonds are Issued as Parity Bonds. The 1999 Bonds are
31 issued as and shall constitute additional Parity Bonds in accordance with Section 6.08 of the
32 Prior Ordinance. Prior to the issuance of the 1999 Bonds, the following must occur:
33

34 A. The City must receive the written approval of the Authority for the
35 issuance of the 1999 Bonds.
36

37 B. The conditions of Section 6.08 of the Prior Ordinance must be satisfied.
38

39 C. The redesignation by the Commission of the reserve funds for the Series
40 1987 A Bonds and Series 1987 B Bonds.
41

42 D. The 1999 Bonds shall not be issued unless all the payments into the
43 respective funds and accounts provided for in the Prior Ordinance on account of the Prior
44 Debt Outstanding and any other payments provided for in the Prior Ordinance, shall have
45 been made in full as required to the date of delivery of the 1999 Bonds.

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ARTICLE IV

FUNDS AND ACCOUNTS

Section 4.01. Funds and Accounts. The funds and accounts established by the Prior Ordinance are hereby continued. In addition to the funds and accounts established by the Prior Ordinance, there is hereby created at the Commission a sinking fund and a reserve account with respect to each series of 1999 Bonds. Following the monthly payment of operation and maintenance expense, the City shall make monthly payments to the Commission of the debt service on the Prior Debt and the 1999 Bonds.

Simultaneously with the transfers made pursuant to Section 4.02A(2) of the Prior Ordinance with respect to the Prior Bonds, the City shall simultaneously deposit on the first day of each month a sum equal to one-sixth of the amount of interest which will become due on the 1999 Bonds on the next ensuing semi-annual interest payment date and shall simultaneously deposit with the Commission on the first of each month beginning on the first day of the month which is thirteen months prior to the first principal payment date of the 1999 Bonds a sum equal to one-twelfth of the principal which will mature or become due on the 1999 Bonds on the next principal payment date.

To the extent not funded with proceeds of the Bonds or otherwise previously funded, the City shall simultaneously with the payments required under Section 4.02A(3) of the Prior Ordinance deposit with the Commission an amount equal to one and one hundred twentieth of the reserve account requirement to the respective reserve account.

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

Any withdrawals from the Reserve Accounts which result in a reduction in the balance of any Reserve Account to an amount below the applicable Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the Sinking Funds for payment of debt service on the Bonds have been made in full.

Moneys in the Reserve Accounts shall be invested and reinvested by the Commission in accordance with Section 4.04 hereof.

1 If on any monthly payment date the revenues are insufficient to place the
2 required amount in any of the funds or accounts as hereinabove and in the Prior Ordinance
3 as provided, the deficiency is to be made up in subsequent payments, in addition to the
4 payments which would otherwise be required to remain in the funds and accounts on
5 subsequent payment dates. During such short period of insufficient funds, the funds received
6 shall be distributed pro rata among the various Bonds outstanding. Additionally, at such time
7 as required by the Authority, the City shall make its debt service payments to the
8 Commission through automatic debit or other automatic bank transfer.
9

10 Except as provided above, all sinking fund, reserve, and renewal and
11 replacement payments shall remain as governed by Section 4.02 of the Prior Ordinance.
12

13 Section 4.02. Investments. Any moneys held as a part of the funds and
14 accounts created by this Ordinance, other than the Revenue Fund, shall be invested and
15 reinvested by the Commission, the Depository Bank or such other bank or national banking
16 association holding such fund or account, as the case may be, at the direction of the City in
17 any Qualified Investments to the fullest extent possible under applicable laws, this
18 Ordinance, the need for such moneys for the purposes set forth herein and the specified
19 restrictions and provisions set forth in this Section 4.02.
20

21 Any investment shall be held in and at all times deemed a part of the fund or
22 account in which such moneys were originally held, and the interest accruing thereon and
23 any profit or loss realized from such investment shall be credited or charged to the
24 appropriate fund or account. The investments held for any fund or account shall be valued
25 at the lower of cost or then current market value, or at the redemption price thereof if then
26 redeemable at the option of the holder, including the value of accrued interest and giving
27 effect to the amortization of discount. The Commission, the Depository Bank or such other
28 bank or national banking association, as the case may be, shall sell and reduce to cash a
29 sufficient amount of such investments whenever the cash balance in any fund or account is
30 insufficient to make the payments required from such fund or account, regardless of the loss
31 of such liquidation. The Depository Bank or such other bank or national banking association
32 may make any and all investments permitted by this section through its own bond department
33 and shall not be responsible for any losses from such investments, other than for its own
34 negligence or willful misconduct.
35

36 37 ARTICLE V

38 39 ADDITIONAL COVENANTS OF THE CITY

40
41 All the covenants, agreements and provisions of the Prior Ordinance shall
42 remain in full force and effect as long as the Prior Debt and the 1999 Bonds are outstanding
43 and shall apply to the 1999 Bonds as if fully set out herein. The following covenants are
44 supplemented and in addition to the covenants set forth in the Prior Ordinance.
45

1 Section 5.01. Tax Covenants. The City hereby further covenants and agrees
2 as follows:

3
4 A. PUBLIC PURPOSE BONDS. The System, after the merger, will be
5 solely operated as a public purpose and as local governmental activity of the City.

6
7 B. PRIVATE ACTIVITY BOND COVENANT. The City shall not permit
8 at any time or times any of the proceeds of the 1999 Bonds or any other funds of the City to
9 be used directly or indirectly in a manner which would result in the exclusion of the 1999
10 Bonds from the treatment afforded by Section 103(a) of the Code by reason of the
11 classification of the 1999 Bonds as "private activity bonds" within the meaning of the Code.
12 The City will take all actions necessary to comply with the Code in order to assure the
13 tax-exempt status of the 1999 Bonds.

14
15 C. PRIVATE LOAN LIMITATION. The City shall assure that not in
16 excess of 5% of the Net Proceeds of the 1999 Bonds are used, directly or indirectly, to make
17 or finance a loan (other than loans constituting Nonpurpose Investments) to persons other
18 than state or local government units.

19
20 D. FEDERAL GUARANTEE PROHIBITION. The City shall not take any
21 action or permit or suffer any action to be taken if the result of the same would be to cause
22 the 1999 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the
23 Code.

24
25 E. INFORMATION RETURN. The City will file all statements,
26 instruments and returns necessary to assure the tax exempt status of the 1999 Bonds,
27 including without limitation the information return required under Section 149(e) of the
28 Code.

29
30 F. FURTHER ACTIONS. The City will take any and all actions that may
31 be required of it (including those deemed necessary by the Authority) so that the interest on
32 the 1999 Bonds will be and remain excludable from gross income for federal income tax
33 purposes, and will not take any actions, or fail to take any actions (including those
34 determined by the Authority) which would adversely affect such exclusion.

35
36 Section 5.02. Rebate Covenant. The City is a governmental unit with general
37 taxing powers to finance operations of or facilities of the nature of the System. As
38 covenanted above, the 1999 Bonds are not private activity bonds within the meaning of the
39 Code, and ninety-five percent (95%) or more of the net proceeds (as defined with respect to
40 the Code) of the 1999 Bonds will be used for local governmental activities of the City. The
41 City reasonably expects to expend the proceeds of the 1999 Bonds within the time period
42 that would provide an exception from the rebate requirements of Section 148(f) of the Code.
43 Notwithstanding the foregoing, if the City is in fact subject to such rebate requirements, the
44 City hereby covenants to rebate to the United States the amounts required by the Code and
45 to take all steps necessary to make such rebates. In the event the City fails to make such

1 rebates as required, the City shall pay any and all penalties and obtain a waiver from the
2 Internal Revenue Service in order to maintain the tax-exempt status of interest on the 1999
3 Bonds.
4

5 Section 5.03. Arbitrage. The City covenants that (i) it will restrict the use of
6 the proceeds of the 1999 Bonds in such manner and to such extent as may be necessary, in
7 view of the City's reasonable expectations at the time of issuance of the 1999 Bonds, so that
8 the 1999 Bonds will not constitute "arbitrage bonds" under Section 148 of the Code, and (ii)
9 it will take all actions that may be required of it (including, without implied limitation, the
10 timely filing of a federal information return with respect to the 1999 Bonds so that the
11 interest on the 1999 Bonds will be and remain excluded from gross income for federal
12 income tax purposes, and will not take any actions which would adversely affect such
13 exclusion.
14

15 Section 5.04. Tax Certificate and Rebate. The City shall deliver a certificate
16 of arbitrage, a tax certificate or other similar certificate to be prepared by nationally
17 recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax
18 matters as a condition to issuance of the 1999 Bonds. In addition, the City covenants to
19 comply with all regulations from time to time in effect and applicable to the 1999 Bonds as
20 may be necessary in order to maintain the exclusion from gross income for federal income
21 tax purposes of interest on the 1999 Bonds and fully comply with Section 148(f) of the Code,
22 and covenants to take such actions, and refrain from taking such actions, as may be necessary
23 to fully comply with such Section 148(f) of the Code and such regulations, regardless of
24 whether such actions may be contrary to any of the provisions of the Ordinance.
25

26 If it is determined that the City does not qualify for an exception to Section 148
27 of the Code or the City is otherwise subject to rebate in connection with the 1999 Bonds, the
28 City shall calculate, annually, the rebatable arbitrage, determined in accordance with
29 Section 148(f) of the Code. Upon completion of each such annual calculation, unless
30 otherwise agreed by the Authority, the City shall deposit, or cause to be deposited, with the
31 Depository Bank in a separate fund designated the Rebate Fund, such sums as are necessary
32 to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined
33 to be subject to rebate to the United States, which, notwithstanding anything herein to the
34 contrary, shall be paid from investment earnings on the underlying fund or account
35 established hereunder and on which such rebatable arbitrage was earned or from other
36 lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate
37 Fund shall be held free and clear of any lien or pledge hereunder, if any, and used only for
38 payment of rebatable arbitrage to the United States. The City shall pay, or cause to be paid,
39 to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with
40 Section 148(f) of the Code and such Regulations. In the event that there are any amounts
41 remaining in the Rebate Fund following all such payments required by the preceding
42 sentence, the Depository Bank shall pay said amounts to the City to be used for any lawful
43 purpose of the System. The City shall remit payments to the United States in the time and
44 at the address prescribed by the regulations as the same may be from time to time in effect
45 with such reports and statements as may be prescribed by such regulations. In the event that,

1 for any reason, amounts in the Rebate Fund are insufficient to make the payments to the
2 United States which are required, the City shall assure that such payments are made by the
3 City to the United States, on a timely basis, from any funds lawfully available therefor. In
4 addition, the City shall cooperate with the Authority in preparing rebate calculations and in
5 all other respects in connection with rebates and hereby consents to the performance of all
6 matters in connection with such rebates by the Authority at the expense of the City. To the
7 extent not so performed by the Authority, the City and the Depository Bank (at the expense
8 of the City) may provide for the employment of independent attorneys, accountants or
9 consultants compensated on such reasonable basis as the City or the Depository Bank may
10 deem appropriate in order to assure compliance with this Section 5.11. The City shall keep
11 and retain, or cause to be kept and retained, records of the determinations made pursuant to
12 this Section 5.11 in accordance with the requirements of Section 148(f) of the Code. In the
13 event the City fails to make such rebates as required, the City shall pay any and all penalties
14 and other amounts, from lawfully available sources, and obtain a waiver from the Internal
15 Revenue Service, if necessary, in order to maintain the exclusion of interest on the 1999
16 Bonds from gross income for federal income tax purposes.

17
18 The City shall submit to the Authority within 15 days following the end of each
19 Bond Year a certified copy of its rebate calculation and certificate with respect thereto or,
20 if the City qualifies for the small governmental issue exception to rebate or any other
21 exception therefrom, then the City shall submit to the Authority a certificate stating that it
22 is exempt from such rebate provisions and that no event has occurred to its knowledge during
23 the Bond Year which would make the 1999 Bonds subject to rebate. The City shall also
24 furnish to the Authority, at any time, such additional information relating to rebate as may
25 be reasonably requested by the Authority, including information with respect to earnings on
26 all funds constituting "gross proceeds" of the 1999 Bonds (as defined in the Code).

27
28 The City shall furnish to the Authority, annually, at such time as it is required
29 to perform its rebate calculations under the Code, a certificate with respect to its rebate
30 calculations and, at any time, any additional information relating thereto as may be requested
31 by the Authority and shall furnish to the Authority such information with respect to earnings
32 on all funds constituting "gross proceeds" of the 1999 Bonds (as that term is defined in the
33 Code) from time to time as the Authority may request.

34
35 Section 5.05. Securities Laws Compliance. The City will provide the
36 Authority, in a timely manner, with any and all information that may be requested of it
37 (including its annual audit report, financial statements, related information and notices of
38 changes in usage and customer base) so that the Authority may comply with the provisions
39 of SEC Rule 15c2-12 (17CFR Part 240).

40
41 Section 5.06. Defeasance of Bonds. If the City shall pay or cause to be paid,
42 or there shall otherwise be paid, to the Owners of all 1999 Bonds the principal thereof, and
43 redemption premium, if applicable, and interest due or to become due thereon, at the times
44 and in the manner stipulated therein and in the Ordinance, then the pledge of Net Revenues
45 and any other moneys and securities pledged under this Ordinance and all covenants,

1 agreements and other obligations of the City to the Bondholders shall thereupon cease,
2 terminate and become void and be discharged and satisfied.

3
4 The 1999 Bonds for the payment of which either moneys in an amount which
5 shall be sufficient, or securities the principal of and the interest on which, when due, will
6 provide moneys which, together with the moneys, if any, deposited with the Paying Agent
7 at the same or earlier time, shall be sufficient to pay, as and when due, the principal of and
8 interest on the Bonds shall be deemed to have been paid within the meaning and with the
9 effect expressed in the first paragraph of this Section. All Bonds shall, prior to the maturity
10 thereof, be deemed to have been paid within the meaning and with the effect expressed in
11 the first paragraph of this section if there shall have been deposited with the Commission or
12 its agents, either moneys in an amount which shall be sufficient, or securities the principal
13 of and the interest on which, when due, will provide moneys which, together with other
14 moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay
15 when due the principal installments and interest due and to become due on said Bonds on
16 and prior to the maturity dates thereof. Neither securities nor moneys deposited with the
17 Commission pursuant to this Section nor principal or interest payments on any such
18 securities shall be withdrawn or used for any purposes other than, and shall be held in trust
19 for, the payment of the principal of and redemption premium, if applicable, on and interest
20 on said Bonds; provided, that any cash received from such principal or interest payments on
21 such securities deposited with the Commission, if not then needed for such purpose, shall,
22 to the extent practicable, be reinvested in securities maturing at times and in amounts
23 sufficient to pay when due the principal of and redemption premium, if applicable, on and
24 interest to become due on said Bonds on and prior to such redemption date or maturity date
25 thereof, as the case may be, and interest earned from such reinvestments shall be paid over
26 to the City, as received by the Commission, free and clear of any trust, lien or pledge. For
27 the purpose of this Section, securities shall mean and include only Government Obligations.

28 29 30 ARTICLE VI

31 32 MISCELLANEOUS

33
34 Section 6.01. Modification or Amendment. No material modification or
35 amendment of this Ordinance or of any ordinance or resolution amendatory hereof or
36 supplemental hereto which would materially and adversely affect the rights of Bondholders
37 shall be made without the consent in writing of the owners of two-thirds (2/3) or more in
38 principal amount of the 1999 Bonds then Outstanding and to be affected by said
39 modification; provided, however, that no change shall be made in the maturity of any 1999
40 Bond or 1999 Bonds or the rate of interest thereon, or in the principal amount thereof, or
41 affecting the unconditional promise of the City to pay such principal and interest out of the
42 revenues of the System without the consent of the owner thereof. No amendment or
43 modification shall be made which would reduce the percentage of the principal amount of
44 1999 Bonds required for consent to the above permitted amendments or modifications.
45

1 Section 6.02. Severability of Invalid Provisions. If any section, paragraph,
2 clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect
3 any of the remaining provisions of this Ordinance.
4

5 Section 6.03. Repeal of Conflicting Ordinances. All ordinances, resolutions
6 and orders, or parts thereof, other than the Prior Ordinance, in conflict with this Ordinance
7 are to the extent of such conflict repealed.
8

9 Section 6.04. Covenant of Due Procedure. The City covenants that all acts,
10 conditions, things and procedures required to exist, to happen, to be performed or to be taken
11 precedent to and in the final enactment and passage of this Ordinance do exist, have
12 happened, have been performed and have been taken in regular and due time, form and
13 manner as required by and in full compliance with the laws and Constitution of the State of
14 West Virginia applicable thereto; and that the Mayor, the City Clerk and members of Council
15 were at all times when any actions in connection with this Ordinance occurred, and are, duly
16 in office and duly qualified for such office.
17

18 Section 6.05. Abstract of Ordinance and Notice of Public Hearing. Upon
19 adoption hereof, the abstract of this Ordinance in the form set forth in Exhibit B attached
20 hereto and incorporated herein by reference, shall be published once a week for two
21 successive weeks, with at least six full days intervening between each publication, in the
22 Charleston Gazette and Charleston Daily Mail, newspapers of general circulation in the City
23 of Charleston, together with a notice stating that this Ordinance has been adopted and that
24 the City contemplates the issuance of the Bonds, and that any person interested may appear
25 before the City upon a certain date, not less than ten days subsequent to the date of the first
26 publication of such abstract of this Ordinance and notice, and present protests, and that a
27 certified copy of this Ordinance is on file with the City for review by interested persons
28 during office hours of the City. The Council hereby determines that the Abstract contains
29 sufficient information as to give notice of the contents hereof. At such hearing, all objections
30 and suggestions shall be heard and the City shall take such action as it shall deem proper in
31 the premises.
32

33 Section 6.06. Effective Date. This Ordinance shall take effect after passage,
34 public hearing and otherwise in the manner prescribed by law.
35
36
37
38
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41

1 EXHIBIT A

2 [FORM OF THE 1999 BOND]

3 UNITED STATES OF AMERICA
4 STATE OF WEST VIRGINIA
5 COUNTY OF KANAWHA
6 THE CITY OF CHARLESTON
7 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES ____
8
9

10 No. R-____

11 \$_____
12
13

14
15 KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF
16 CHARLESTON, a municipal corporation of the State of West Virginia, in Kanawha County
17 of said State (the "City"), for value received, hereby promises to pay, solely from the special
18 funds provided therefor, as hereinafter set forth, to West Virginia Water Development
19 Authority (the "Authority"), or registered assigns, the sum of _____ (\$____
20 _____), or such lesser amount as shall have been advanced to the Issuer hereunder and not
21 previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and
22 incorporated herein by reference, in installments on October 1 commencing _____,
23 199____, as set forth on the "Schedule of Annual Debt Service" attached as Schedule A hereto
24 and incorporated herein by reference, with interest on each installment at the rate of _____
25 percent (____%) per annum as set forth on said Schedule A.
26

27 Principal installments of this 1999 Bond are payable in any coin or currency
28 which, on the respective dates of payment of principal, is legal tender for the payment of
29 public and private debts under the laws of the United States of America, at the office of the
30 Paying Agent. The interest on this 1999 Bond is payable by check or draft mailed to the
31 Payee at the address as it appears on the books of the Registrar on the 15th day of the month
32 preceding an interest payment date or by such other method as shall be mutually agreeable
33 so long as the Authority is registered owner hereof.
34

35 This 1999 Bond may be redeemed prior to its stated date of maturity in whole
36 or in part, but only with the express written consent of the Authority.
37

38 This 1999 Bond is issued to evidence the City's assumption of the Mt. Tyler
39 Public Service District's _____. This 1999 Bond is issued
40 under the authority of and in full compliance with the Constitution and statutes of the State
41 of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code
42 of 1931, as amended (the "Act"), Ordinance No. 4828 enacted on April 20, 1992, as
43 amended, Ordinance No. _____ enacted by the City on the ____ day of _____, 1999, and
44 a Supplemental Resolution adopted by the City on the ____ day of _____, 1999 (collectively
45 called the "Ordinance"), and is subject to all the terms and conditions thereof. The

1 Ordinance provides for the issuance of additional bonds under certain conditions, and such
2 bonds would be entitled to be paid and secured equally and ratably from and by the funds
3 and revenues and other security provided for the 1999 Bonds under the Ordinance.
4

5 This 1999 Bond ranks equally as to lien and security with the
6 _____, as are defined in the Ordinance.
7

8 This 1999 Bond is payable only from and secured by a pledge of a first lien on
9 the Net Revenues as defined in the Ordinance, to be derived from the operation of the
10 System, moneys in the Reserve Account created under the Ordinance and unexpended
11 proceeds of the 1999 Bonds on parity with the Prior Bonds [but senior to the WDA
12 Subordinate Bonds.] Such Net Revenues shall be sufficient to pay the principal of and
13 interest on all bonds which may be issued pursuant to the Act and which shall be set aside
14 as a special fund hereby pledged for such purpose. This 1999 Bond does not constitute a
15 corporate indebtedness of the City within the meaning of any constitutional or statutory
16 provisions or limitations, nor shall the City be obligated to pay the same or the interest
17 thereon except from said special fund provided from the Net Revenues, the moneys in the
18 Reserve Account and unexpended 1999 Bond proceeds. Pursuant to the Ordinance, the City
19 has covenanted and agreed to establish and maintain just and equitable rates and charges for
20 the use of the System and the services rendered thereby, which shall be sufficient to provide
21 for the reasonable expenses of operation, repair and maintenance of the System, and to leave
22 a balance each year equal to at least 115% of the amount required to pay the maximum
23 amount due in any ensuing fiscal year of principal of and interest on all obligations on a
24 parity with or prior to the 1999 Bonds, payable from such revenues, provided however, that
25 so long as there exists in the Reserve Account an amount equal to the maximum amount of
26 principal and interest which will become due on the 1999 Bonds and any bonds on a parity
27 therewith in any succeeding fiscal year and in each of the reserve accounts for the Prior
28 Bonds, respectively, an amount equal to the requirement therefor, such percentage may be
29 reduced to 110%. The City has entered into certain further covenants with the registered
30 owners of the 1999 Bonds for the terms of which reference is made to the Ordinance.
31 Remedies provided the registered owners of the 1999 Bonds are exclusively as provided in
32 the Ordinance, to which reference is here made for a detailed description thereof.
33

34 This 1999 Bond is transferable, as provided in the Ordinance, only upon the
35 books of the Registrar, kept for that purpose at the office of the Registrar, by the registered
36 owner, or by its attorney duly authorized in writing, upon the surrender of this 1999 Bond
37 together with a written instrument of transfer satisfactory to the Registrar duly executed by
38 the registered owner or its attorney duly authorized in writing.
39

40 This 1999 Bond, under the provision of the Act is, and has provided all the
41 qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of
42 the State of West Virginia.
43

44 All money received from the sale of this 1999 Bond, after reimbursement and
45 repayment of all amounts advanced for preliminary expenses as provided by law, shall be

1 applied solely to the payment of the Costs of the Project described in the Ordinance or to the
2 appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon
3 such moneys, until so applied, in favor of the owner of this 1999 Bond.
4

5 IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts,
6 conditions and things required to exist, happen and be performed precedent to and in the
7 issuance of this 1999 Bond have existed, have happened, and have been performed in due
8 time, form and manner as required by law, and that the amount of this 1999 Bond, together
9 with all other obligations of the City, does not exceed any limit prescribed by the
10 Constitution or statutes of the State of West Virginia and that a sufficient amount of the
11 revenues of the System has been pledged to and will be set aside into said special fund by
12 the City for the prompt payment of the principal of and interest on this 1999 Bond.
13

14 All provisions of the Ordinance, resolutions and statutes under which this 1999
15 Bond is issued shall be deemed to be a part of the contract evidenced by this 1999 Bond to
16 the same extent as if written fully herein.
17

18 IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this
19 1999 Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or
20 imprinted hereon and attested by its Clerk, and has caused this 1999 Bond to be dated ____
21 ___, 1999.
22

23 [SEAL]
24

25 Mayor
26

27 ATTEST:
28

29 City Clerk
30
31
32
33
34

1 CERTIFICATE OF AUTHENTICATION AND REGISTRATION
2
3

4 This 1999 Bond is one of the 1999 Bonds described in the within-mentioned
5 Ordinance and has been duly registered in the name of the registered owner set forth above.
6
7

8
9 _____
10 as Registrar

11
12 By _____
13 Its Authorized Officer
14

15
16 Dated: _____
17

SCHEDULE A

SCHEDULE OF ANNUAL DEBT SERVICE

1
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5

[Form of Assignment]

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

the within 1999 Bond and does hereby irrevocably constitute and appoint _____
_____, Attorney to transfer the said 1999 Bond on the books kept for registration of the within
1999 Bond of the said City with full power of substitution in the premises.

Dated: _____, ____.

In the presence of:

[THIS IS THE END OF EXHIBIT A]

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EXHIBIT B

THE CITY OF CHARLESTON, WEST VIRGINIA

NOTICE OF PUBLIC HEARING and ABSTRACT OF BOND ORDINANCE

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

1. Authorized the acquisition by merger of the assets of Mt. Tyler Public Service District (the "District") to be incorporated in the City's wastewater treatment system (the "System") and the assumption of the District's outstanding bond debt through the issuance of not more than \$850,000 in aggregate principal amount of Sewerage System Revenue Bonds, Series 1999 (the "Bonds").

2. Directed that the Bonds be issued in two or more series and in the form of one bond each, fully registered with a payment record attached; that interest on the Bonds shall be no more than twelve percentum (12%) per annum, that said Bonds mature in not more than forty years and that said Bonds be issued for the par value thereof; that the Bonds be executed in the name of the City by the Mayor, and the seal of the City be affixed thereto and attested to by the City Clerk; that such Bonds be duly authenticated by the Registrar and delivered to the West Virginia Water Development Authority.

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

5. Pledged the Net Revenues of the System to payment of the Bonds.

The City contemplates the issuance of the Bonds described in, and under the conditions set forth in the Ordinance abstracted above. Any person interested may appear before the Council of the City of Charleston at a regular meeting thereof at 8:00 p.m., prevailing time, on February 16, 1999, at the

1 Council Chambers, City Hall, Charleston, West Virginia, and present
2 objections and be heard as to whether the above described Ordinance shall be
3 put into effect.
4

5 A certified copy of the Ordinance as adopted by the Council of City on
6 February 1, 1999, is on file with the City Clerk for review by interested
7 persons at the City Hall during regular office hours, to-wit: 8:00 a.m. to 4:00
8 p.m., Monday through Friday.
9

10
11
12 /s/
13 City Clerk -- The City of Charleston,
14 West Virginia
15

CERTIFICATE OF TRUTH AND ACCURACY

I, the undersigned, as Clerk of The City of Charleston, Kanawha County, West Virginia, do hereby certify that the foregoing document is a true and accurate copy of an official record of The City of Charleston, such records being in the custody of the undersigned and maintained at The City of Charleston, City Hall, Charleston, Kanawha County, West Virginia, and that the action taken by the Council in the foregoing document remains in full force and effect and has not been amended or repealed.

Dated this ____ day of _____, 1999.

City Clerk

[SEAL]

137651



CITY OF CHARLESTON
P.O. Box 2749
CHARLESTON, WEST VIRGINIA 25330

CERTIFICATE

I, the undersigned City Clerk of the City of Charleston, do hereby certify that the foregoing is a true, correct and complete copy of Council Minutes, enacted by the City Council of the City on January 19, 1999.

Witness the signature of the undersigned City Clerk of the City of Charleston, West Virginia, and the seal of said City, this 18 day of June, 1999

Melissa W. Hughes
Deputy City Clerk

Seal

EXHIBIT A

[FORM OF THE 1999 BOND]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES ____

No. R-____ \$_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON, a municipal corporation of the State of West Virginia, in Kanawha County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to West Virginia Water Development Authority (the "Authority"), or registered assigns, the sum of _____ (\$____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in installments on October 1 commencing _____, 199__, as set forth on the "Schedule of Annual Debt Service" attached as Schedule A hereto and incorporated herein by reference, with interest on each installment at the rate of _____ percent (____%) per annum as set forth on said Schedule A.

Principal installments of this 1999 Bond are payable in any coin or currency which, on the respective dates of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the Paying Agent. The interest on this 1999 Bond is payable by check or draft mailed to the Payee at the address as it appears on the books of the Registrar on the 15th day of the month preceding an interest payment date or by such other method as shall be mutually agreeable so long as the Authority is registered owner hereof.

This 1999 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.

This 1999 Bond is issued to evidence the City's assumption of the Mt. Tyler Public Service District's _____. This 1999 Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), Ordinance No. 4828 enacted on April 20, 1992, as amended, Ordinance No. _____ enacted by the City on the ____ day of _____, 1999, and a Supplemental Resolution adopted by the City on the ____ day of _____, 1999 (collectively called the "Ordinance"), and is subject to all the terms and conditions thereof. The

1 Ordinance provides for the issuance of additional bonds under certain conditions, and such
2 bonds would be entitled to be paid and secured equally and ratably from and by the funds
3 and revenues and other security provided for the 1999 Bonds under the Ordinance.
4

5 This 1999 Bond ranks equally as to lien and security with the
6 _____, as are defined in the Ordinance.
7

8 This 1999 Bond is payable only from and secured by a pledge of a first lien on
9 the Net Revenues as defined in the Ordinance, to be derived from the operation of the
10 System, moneys in the Reserve Account created under the Ordinance and unexpended
11 proceeds of the 1999 Bonds on parity with the Prior Bonds [but senior to the WDA
12 Subordinate Bonds.] Such Net Revenues shall be sufficient to pay the principal of and
13 interest on all bonds which may be issued pursuant to the Act and which shall be set aside
14 as a special fund hereby pledged for such purpose. This 1999 Bond does not constitute a
15 corporate indebtedness of the City within the meaning of any constitutional or statutory
16 provisions or limitations, nor shall the City be obligated to pay the same or the interest
17 thereon except from said special fund provided from the Net Revenues, the moneys in the
18 Reserve Account and unexpended 1999 Bond proceeds. Pursuant to the Ordinance, the City
19 has covenanted and agreed to establish and maintain just and equitable rates and charges for
20 the use of the System and the services rendered thereby, which shall be sufficient to provide
21 for the reasonable expenses of operation, repair and maintenance of the System, and to leave
22 a balance each year equal to at least 115% of the amount required to pay the maximum
23 amount due in any ensuing fiscal year of principal of and interest on all obligations on a
24 parity with or prior to the 1999 Bonds, payable from such revenues, provided however, that
25 so long as there exists in the Reserve Account an amount equal to the maximum amount of
26 principal and interest which will become due on the 1999 Bonds and any bonds on a parity
27 therewith in any succeeding fiscal year and in each of the reserve accounts for the Prior
28 Bonds, respectively, an amount equal to the requirement therefor, such percentage may be
29 reduced to 110%. The City has entered into certain further covenants with the registered
30 owners of the 1999 Bonds for the terms of which reference is made to the Ordinance.
31 Remedies provided the registered owners of the 1999 Bonds are exclusively as provided in
32 the Ordinance, to which reference is here made for a detailed description thereof.
33

34 This 1999 Bond is transferable, as provided in the Ordinance, only upon the
35 books of the Registrar, kept for that purpose at the office of the Registrar, by the registered
36 owner, or by its attorney duly authorized in writing, upon the surrender of this 1999 Bond
37 together with a written instrument of transfer satisfactory to the Registrar duly executed by
38 the registered owner or its attorney duly authorized in writing.
39

40 This 1999 Bond, under the provision of the Act is, and has provided all the
41 qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of
42 the State of West Virginia.
43

44 All money received from the sale of this 1999 Bond, after reimbursement and
45 repayment of all amounts advanced for preliminary expenses as provided by law, shall be

1 applied solely to the payment of the Costs of the Project described in the Ordinance or to the
2 appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon
3 such moneys, until so applied, in favor of the owner of this 1999 Bond.
4

5 IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts,
6 conditions and things required to exist, happen and be performed precedent to and in the
7 issuance of this 1999 Bond have existed, have happened, and have been performed in due
8 time, form and manner as required by law, and that the amount of this 1999 Bond, together
9 with all other obligations of the City, does not exceed any limit prescribed by the
10 Constitution or statutes of the State of West Virginia and that a sufficient amount of the
11 revenues of the System has been pledged to and will be set aside into said special fund by
12 the City for the prompt payment of the principal of and interest on this 1999 Bond.
13

14 All provisions of the Ordinance, resolutions and statutes under which this 1999
15 Bond is issued shall be deemed to be a part of the contract evidenced by this 1999 Bond to
16 the same extent as if written fully herein.
17

18 IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this
19 1999 Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or
20 imprinted hereon and attested by its Clerk, and has caused this 1999 Bond to be dated ____
21 ___, 1999.
22

23
24 [SEAL]

Mayor

26
27 ATTEST:

28
29
30 _____
City Clerk
31
32
33
34

1 CERTIFICATE OF AUTHENTICATION AND REGISTRATION
2
3

4 This 1999 Bond is one of the 1999 Bonds described in the within-mentioned
5 Ordinance and has been duly registered in the name of the registered owner set forth above.
6
7

8
9 _____,
10 as Registrar
11

12 By _____
13 Its Authorized Officer
14

15
16 Dated: _____
17

1
2
3
4
5

SCHEDULE A

SCHEDULE OF ANNUAL DEBT SERVICE

[Form of Assignment]

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

the within 1999 Bond and does hereby irrevocably constitute and appoint _____
_____, Attorney to transfer the said 1999 Bond on the books kept for registration of the within
1999 Bond of the said City with full power of substitution in the premises.

Dated: _____, ____.

In the presence of:

[THIS IS THE END OF EXHIBIT A]

Resolution No. 179-99

Introduced in Council

April 19, 1999

Introduced By:

Dave Hardy
for

Adopted by Council

April 19, 1999

1 Resolution No. 179-99 finding that the Council of The City of Charleston, West
2 Virginia (the "City"), adopted Ordinance No. 6544 on February 1, 1999, all as more fully
3 set out therein; finding that notice was given of a public hearing to be held with regard to
4 placing the Ordinance into effect; finding that the public hearing on the Ordinance was held
5 and that no significant protest was made; finding that the Ordinance should be placed into
6 effect; providing for the terms and conditions for the merger of the Mt. Tyler Public Service
7 District (the "District") into the sewerage system of the City; authorizing the assumption of
8 the debt of the District; providing for the dates, maturities, interest rates, principal payment
9 schedules and other terms of Sewerage System Revenue Bonds, re-designating the registrar
10 and paying agent; and making other provisions as to the Bonds.

11
12 WHEREAS, the Council of The City of Charleston, West Virginia (the
13 "Council"), on February 1, 1999, adopted Ordinance No. 6544, all as more fully set out
14 therein (said Ordinance is hereinafter referred to as the "Ordinance");

15
16 WHEREAS, capitalized terms used herein and not otherwise defined shall have
17 the meanings given such terms in the Ordinance;

18
19 WHEREAS, the Ordinance, pursuant to Chapter 16, Article 13, Section 6, of
20 the Code of West Virginia, 1931, as amended (the "Act"), directed the Clerk of the City (the
21 "City Clerk") to publish an abstract of the Ordinance (the "Abstract"), together with a notice
22 that the Ordinance has been adopted, that the City contemplates the issuance of the 1999
23 Bonds as described in the Ordinance and that any person interested may appear before the
24 Council upon a certain day and present protests (the "Notice");

25
26 WHEREAS, the Ordinance required that the Abstract and Notice be published
27 as a Class II legal advertisement in the Charleston Daily Mail and Charleston Gazette,
28 newspapers of general circulation of the City, and the first publication of such Abstract and
29 notice was to be not less than ten (10) days before the date set by the Ordinance and the
30 Notice at which interested persons might appear before the Council and present protests, and
31 the last publication of such Abstract and Notice was to be prior to said date set by the
32 Ordinance and the Notice;

33
34 WHEREAS, the Ordinance and the Notice provided for a public hearing to be
35 held at 8:00 p.m., prevailing time, on February 16, 1999, in Council Chambers in City Hall;

1
2 WHEREAS, the Ordinance provides for the issuance of The City of
3 Charleston, West Virginia Sewerage System Revenue Bonds, in an aggregate principal
4 amount not to exceed \$850,000, in two or more series of bonds, and further provides that the
5 dates, interest rates, maturities and other terms of and matters relating to the assumption of
6 the District Bonds should be established by a supplemental resolution; and
7

8 WHEREAS, the 1999 Bonds are being issued to evidence the City's
9 acquisition of the assets of the District and the assumption of certain outstanding debt of the
10 District; and
11

12 WHEREAS, the Council of the City deems it essential and desirable that this
13 resolution (the "Supplemental Resolution"), be adopted and that the assumption of the
14 District's Bonds be herein provided for.
15

16 NOW, THEREFORE, be it resolved by the Council of The City of Charleston,
17 West Virginia, as follows:
18

19 Section 1. It is hereby found and determined:
20

21 (A) That the Abstract and Notice were duly published in the
22 Charleston Gazette and The Daily Mail, newspapers of general circulation in The City of
23 Charleston with the first publication thereof being on February 5, 1999, which first
24 publications were not less than ten (10) days before the day set by the Notice for the public
25 hearing at which interested persons might appear before the Council of the City and present
26 protests and suggestions and with the last publications thereof being on February 12, 1999,
27 which last publication date was prior to said date set by the Notice for the public hearing,
28 and a copy of the Affidavit of Publications reflecting such publications are attached hereto
29 and incorporated herein;
30

31 (B) That in accordance with the Notice, the Clerk of the City has
32 maintained in his office a certified copy of the Ordinance for review by interested persons
33 during the regular office hours of such office;
34

35 (C) That, at Council Chambers, City Hall, Charleston, West Virginia
36 on Monday, February 16, 1999, at 8:00 p.m. prevailing time, in accordance with the Notice,
37 the Council met for the purpose of hearing protests and suggestions regarding whether the
38 Ordinance should be put into effect and heard all protests and suggestions with regard
39 thereto;
40

41 (D) That, at the public hearing, no significant reasons were presented
42 that could require modification or amendment of the Ordinance and no written protest with
43 regard thereto was filed by 30 percent or more of the freeholders of the City; and
44

1 (E) The Ordinance shall be put into effect as of the date hereof and
2 the 1999 Bonds contemplated thereby shall be issued, all as provided in the Ordinance and
3 this Supplemental Resolution.
4

5 Section 2. There are hereby authorized and ordered to be issued The City of
6 Charleston Sewerage System Revenue Bonds, Series 1999 A and The City of Charleston
7 Sewerage System Revenue Bonds, Series 1999 B for the purpose of assuming the District's
8 Bonds, as set forth in the Ordinance:
9

10 (A) The first series of bonds of the City shall be originally
11 represented by a single bond, designated "Sewerage System Revenue Bonds, Series 1999 A",
12 numbered AR-1 shall be used to assume the District's Series 1987 A Bonds, shall be in the
13 aggregate principal amount of \$686,229, shall be dated the date of delivery thereof, shall
14 finally mature on October 1, 2026, shall continue to bear interest at the rate of 8.38 percent
15 (8.38%) per annum, and shall continue to be payable semi-annually on each April 1 and
16 October 1 of each year. The principal shall continue to be payable annually on October 1
17 of each year, in the amounts as set forth in Schedule X attached to the District Loan
18 Agreement and incorporated herein. The Bond shall be subject to redemption upon the
19 written consent of the Authority, and upon payment of the interest and redemption premium,
20 if any, and otherwise in compliance with the District Loan Agreement, so long as the
21 Authority shall be the registered owner of the Bond.
22

23 (B) The second series of bonds of the City shall be issued originally
24 represented by a single bond, designated "Sewerage System Revenue Bonds, Series 1999 B",
25 numbered BR-1 shall be used to assume the District's Series 1987 B Bonds, shall be in the
26 aggregate principal amount of \$132,072, shall be dated the date of delivery thereof, shall
27 finally mature on October 1, 2026, and shall continue to bear no interest. The principal shall
28 continue to be payable annually on October 1 of each year in the amounts as set forth in
29 Schedule X attached to the District Supplemental Loan Agreement and incorporated herein.
30 The Bond shall be subject to redemption upon the written consent of the Authority, and upon
31 payment of the redemption premium, if any, and otherwise in compliance with the District
32 Supplemental Loan Agreement, so long as the Authority shall be the registered owner of the
33 Bond.
34

35 (C) The Series 1999 A Bonds and Series 1999 B Bonds are being
36 issued to evidence the City's assumption of the District Bonds. Therefore, no bond proceeds
37 will be received. The reserve funds for the District's 1987 A Bonds and Series 1987 B
38 Bonds, respectively, held at the West Virginia Municipal Bond Commission will be
39 transferred to the respective 1999 Bonds reserve accounts established by the Ordinance as
40 part of the merger.
41

42 (D) The assumption of the District Bonds through delivery of the
43 1999 Bonds to the Authority is hereby approved. The Mayor is hereby authorized and
44 directed to execute the Bonds by his manual signature and attested by the City Clerk by his
45 manual signature and the seal of the City shall be impressed thereon.

1 Section 3. All other provisions relating to the 1999 Bonds shall be as provided
2 in the Ordinance, and the 1999 Bonds shall be in substantially the form provided in the
3 Ordinance with such changes, insertions and omissions as may be approved by the Mayor
4 of the City. The execution of the 1999 Bonds by the Mayor shall be conclusive evidence of
5 such approval.
6

7 Section 4. The City hereby re-appoints and designates One Valley Bank,
8 National Association, Charleston, West Virginia (formerly, Kanawha Valley Bank, National
9 Association), as Registrar for the 1999 Bonds. The Registrar is hereby authorized to take the
10 appropriate action to note the assumption of the District Bonds by the 1999 Bonds in its
11 records.
12

13 Section 5. The City hereby re-appoints and designates the West Virginia
14 Municipal Bond Commission, Charleston, West Virginia, as Paying Agent for the 1999
15 Bonds. The Commission is hereby authorized to transfer the District's reserve accounts for
16 the District Bonds to the respective 1999 Bonds' reserve accounts.
17

18 Section 6. The City hereby affirms all covenants and representations made in
19 the District Loan Agreement and the District Supplemental Loan Agreement to the Authority.
20 The price of the 1999 Bonds shall be 100% of par value.
21

22 Section 7. The Mayor and City Clerk are hereby authorized and directed to
23 execute and deliver such other documents and certificates, including the Registrar's
24 Agreement, required or desirable in connection with the 1999 Bonds in order for the 1999
25 Bonds to be delivered on or about April 30, 1999.
26

27 Section 8. The City shall not permit at any time or times any of the proceeds
28 of the 1999 Bonds or any other funds of the City to be used directly or indirectly in a manner
29 which would result in the exclusion of the Bonds from the treatment afforded by Section
30 103(a) of the Code, by reason of the classification of the 1999 Bonds as "private activity
31 bonds" within the meaning of the Code. It will take all actions necessary to comply with the
32 Code, including the Treasury Regulations promulgated thereunder.
33

34 Section 9. The acquisition by merger of the assets of the District and
35 assumption of the District's Bonds by the 1999 Bonds is in the public interest, serves a
36 public purpose of the City and will promote the health, welfare and safety of the residents
37 of the City, as approved by the Public Service Commission of West Virginia in Case No. 98-
38 0215-PSD-S-PC.
39

40 Section 13. This Supplemental Resolution shall be effective immediately upon
41 adoption.
42
43
44

140799

A RESOLUTION AUTHORIZING THE CHAIRMAN OF THE
MT. TYLER PUBLIC SERVICE DISTRICT TO EXECUTE ALL
DOCUMENTS RELATING TO THE MERGER OF THE
MT. TYLER PUBLIC SERVICE DISTRICT WITH THE
CITY OF CHARLESTON SANITARY SEWER SYSTEM
AND FOR THE DISSOLUTION OF THE DISTRICT

WHEREAS, the Council (the "City Council") of The City of Charleston, Kanawha County, West Virginia, (the "City"), has introduced and passed an Ordinance approving the merger of the Mt. Tyler Public Service District with the City of Charleston sanitary sewer system and authorizing the issuance of sewage system revenue bonds to retire the outstanding bonds of the Mt. Tyler Public Service District held by the West Virginia Water Development Authority; and,

WHEREAS, the City Council, pursuant to a Resolution introduced in Council on April 19, 1999, and adopted by the City Council on April 19, 1999, found that the terms and conditions of the merger of the Mt. Tyler Public Service District into the sewage system of the City of Charleston should be approved, said City Council authorized the assumption of the debt of the District and the retirement of its outstanding bonds; and,

WHEREAS, the Mt. Tyler Public Service District will at the regular monthly meeting held during the month of April, 1999, authorize the merger, subject to certain terms and conditions; and,

WHEREAS, pursuant to an Order of the Public Service Commission dated October 15, 1998, in Case No. 98-0215-PSD-S-PC, the Public Service Commission authorized the proposed merger; and,

WHEREAS, the County Commission, pursuant to public notice, will hold a hearing on June 3, 1999, to consider the proposed merger and dissolution of the District; and,

WHEREAS, it is in the best interest of the City of Charleston and the Mt. Tyler Public Service District to complete this merger and dissolve the District.

NOW, THEREFORE, Be It Resolved by the Commissioners of the Mt. Tyler Public Service District, Kanawha County, West Virginia, as Follows:

1. That the Chairman of the District and the Commissioners are hereby authorized and directed to execute all documents concerning the proposed merger of the Mt. Tyler Public Service District with the City of Charleston sanitary sewer system, including but not limited to, execution of a Deed and Bill of Sale conveying all of the assets of the Mt. Tyler Public Service District, both real and personal, unto the City of Charleston.

2. That the Commissioners of the District are vested with the appropriate authority to take any and all action necessary to complete the merger of the Mt. Tyler Public Service District with the sanitary sewer system of the City of Charleston and to dissolve the Mt. Tyler Public Service District.

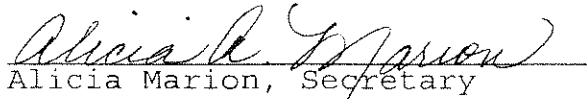
3. This Resolution shall become effective immediately upon adoption.

Adopted by the Commissioners of the Mt. Tyler Public Service District at a meeting held on the 20th day of April, 1999.

MT. TYLER PUBLIC SERVICE DISTRICT

[SEAL]


Jimmie Skidmore, Chairman


Alicia Marion, Secretary



UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES A

No. AR-1

\$686,229

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON, a municipal corporation of the State of West Virginia, in Kanawha County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), or registered assigns, the sum of Six Hundred Eighty-Six Thousand Two Hundred Twenty-Nine Dollars (\$686,229), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in installments continuing on October 1, as set forth on the "Schedule of Annual Debt Service" attached as Schedule A hereto and incorporated herein by reference, with interest on each installment at the rate of 8.38% per annum as set forth on said Schedule A.

Principal installments of this 1999 Bond are payable in any coin or currency which, on the respective dates of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the Paying Agent. The interest on this 1999 Bond is payable by check or draft mailed to the Payee at the address as it appears on the books of the Registrar, as hereinafter defined, on the 15th day of the month preceding an interest payment date or by such other method as shall be mutually agreeable so long as the Authority is registered owner hereof.

This 1999 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.

This 1999 Bond is issued to evidence the City's assumption of the Mt. Tyler Public Service District's Sewer Revenue Bonds, Series 1987A issued in the aggregate principal amount of \$730,760 (the "Series 1987 A Bonds"). This 1999 Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), Ordinance No. 4828 enacted on April 20, 1992, as amended, Ordinance No. 6544 enacted by the City on the 16th day of February, 1999, and a Supplemental Resolution adopted by the City on the 16th day of February, 1999 (collectively called the "Ordinance"), and is subject to all the terms and conditions thereof. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the 1999 Bonds under the Ordinance.

This 1999 Bond ranks equally as to lien and security with the Prior Bonds, and senior to the Sewerage System Revenue Bonds, 1999 Series B (the "1999 Series B Bonds") and the WDA Subordinate Bonds, all as defined in the Ordinance.

This 1999 Bond is payable only from and secured by a pledge of a first lien on the Net Revenues as defined in the Ordinance, to be derived from the operation of the System, moneys in the Reserve Account created under the Ordinance and unexpended proceeds of the 1999 Bonds on parity with the Prior Bonds, but senior to the 1999 Series B Bonds and the WDA Subordinate 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 1999 Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same or the interest thereon except from said special fund provided from the Net Revenues, the moneys in the Reserve Account and unexpended 1999 Bond proceeds. Pursuant to the Ordinance, the City has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any ensuing fiscal year of principal of and interest on all obligations on a parity with or prior to the 1999 Bonds, payable from such revenues, provided however, that so long as there exists in the Reserve Account an amount equal to the maximum amount of principal and interest which will become due on the 1999 Bonds and any bonds on a parity therewith in any succeeding fiscal year and in each of the reserve accounts for the Prior Bonds, respectively, an amount 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 1999 Bonds for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the 1999 Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

This 1999 Bond is transferable, as provided in the Ordinance, only upon the books of One Valley Bank, National Association, Charleston, West Virginia (the "Registrar"), kept for that purpose at the office of the Registrar, by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this 1999 Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing.

This 1999 Bond, under the provision of the Act is, and has provided all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this 1999 Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the assumption of the Series 1987 A Bonds described in the Ordinance or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the owner of this 1999 Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this 1999 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 1999 Bond, together with all other obligations of the City, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by the City for the prompt payment of the principal of and interest on this 1999 Bond.

All provisions of the Ordinance, resolutions and statutes under which this 1999 Bond is issued shall be deemed to be a part of the contract evidenced by this 1999 Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this 1999 Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Clerk, and has caused this 1999 Bond to be dated the 22nd day of June, 1999.

[SEAL]

Mayor

ATTEST:

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This 1999 Bond is one of the 1999 Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above.

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By

Charlotte S. Morgan
Its Authorized Officer

Dated: June 22, 1999

SCHEDULE A

SCHEDULE OF ANNUAL DEBT SERVICE

PERIOD ENDING 10/1	COUPON	PRIN.	INTEREST	SERVICE
1987	8.38		19,051.75	19,051.75
1988	8.38		61,237.77	61,237.77
1989	8.38	3,019	61,237.77	64,256.77
1990	8.38	3,272	60,934.78	64,256.78
1991	8.38	3,546	60,710.59	64,256.59
1992	8.38	3,843	60,413.43	64,256.43
1993	8.38	4,165	60,091.39	64,256.39
1994	8.38	4,514	59,742.36	64,256.36
1995	8.38	4,893	59,364.09	64,257.09
1996	8.38	5,303	58,954.05	64,257.05
1997	8.38	5,747	58,509.66	64,256.66
1998	8.38	6,229	58,028.06	64,257.06
1999	8.38	6,751	57,506.07	64,257.07
2000	8.38	7,316	56,940.34	64,256.34
2001	8.38	7,929	56,327.26	64,256.26
2002	8.38	8,594	55,662.81	64,256.81
2003	8.38	9,314	54,942.63	64,256.63
2004	8.38	10,094	54,162.12	64,256.12
2005	8.38	10,940	53,316.24	64,256.24
2006	8.38	11,857	52,399.47	64,256.47
2007	8.38	12,851	51,405.85	64,256.85
2008	8.38	13,928	50,328.94	64,256.94
2009	8.38	15,095	49,161.77	64,256.77
2010	8.38	16,360	47,896.81	64,256.81
2011	8.38	17,731	46,525.84	64,256.84
2012	8.38	19,217	45,039.99	64,256.99
2013	8.38	20,827	43,429.60	64,256.60
2014	8.38	22,573	41,684.30	64,257.30
2015	8.38	24,464	39,792.68	64,256.68
2016	8.38	26,514	37,742.60	64,256.60
2017	8.38	28,736	35,520.73	64,256.73
2018	8.38	31,144	33,112.65	64,256.65
2019	8.38	33,754	30,502.78	64,256.78
2020	8.38	36,583	27,674.20	64,257.20

SCHEDULE OF ANNUAL DEBT SERVICE

PERIOD ENDING 10/1	COUPON	PRIN.	INTEREST	SERVICE
2021	8.38	39,648	24,608.54	64,256.54
2022	8.38	42,971	21,286.04	64,257.04
2023	8.38	46,572	17,685.07	64,257.07
2024	8.38	50,474	13,782.33	64,256.33
2025	8.38	54,704	9,552.61	64,256.61
2026	8.38	59,288	4,968.42	64,256.42
		730,760	1,791,284.39	2,522,044.39

[Form of Assignment]

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

the within 1999 Bond and does hereby irrevocably constitute and appoint _____
 Attorney to transfer the said 1999 Bond on the books kept for registration of the within 1999
 Bond of the said City with full power of substitution in the premises.

Dated: _____

In the presence of:

EXHIBIT B

SPECIMEN BOND



UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF CHARLESTON
SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES B

No. BR-1

\$132,072

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON, a municipal corporation of the State of West Virginia, in Kanawha County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), or registered assigns, the sum of One Hundred Thirty Two Thousand Seventy-Two Dollars (\$132,072), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in installments continuing on October 1, as set forth on the "Schedule of Annual Debt Service" attached as Schedule A hereto and incorporated herein by reference, bearing no interest as set forth on said Schedule A.

Principal installments of this 1999 Bond are payable in any coin or currency which, on the respective dates of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the Paying Agent.

This 1999 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.

This 1999 Bond is issued to evidence the City's assumption of the Mt. Tyler Public Service District's Sewer Revenue Bonds, Series 1987B issued in the aggregate principal amount of \$179,240 (the "Series 1987 B Bonds"). This 1999 Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West

Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), Ordinance No. 4828 enacted on April 20, 1992, as amended, Ordinance No. 6544 enacted by the City on the 16th day of February, 1999, and a Supplemental Resolution adopted by the City on the 16th day of February, 1999 (collectively called the "Ordinance"), and is subject to all the terms and conditions thereof. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the 1999 Bonds under the Ordinance.

This 1999 Bond ranks equally as to lien and security with the WDA Subordinate Bonds and junior and subordinate with the Sewerage System Revenue Bonds, 1999 Series A (the "1999 Series A Bonds") and the Prior Bonds, all as are defined in the Ordinance.

This 1999 Bond is payable only from and secured by a pledge of a first lien on the Net Revenues as defined in the Ordinance, to be derived from the operation of the System, moneys in the Reserve Account created under the Ordinance and unexpended proceeds of the 1999 Bonds on parity with the WDA Subordinate Bonds, but junior and subordinate with the 1999 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 1999 Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same or the interest thereon except from said special fund provided from the Net Revenues, the moneys in the Reserve Account and unexpended 1999 Bond proceeds. Pursuant to the Ordinance, the City has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any ensuing fiscal year of principal of and interest on all obligations on a parity with or prior to the 1999 Bonds, payable from such revenues, provided however, that so long as there exists in the Reserve Account an amount equal to the maximum amount of principal and interest which will become due on the 1999 Bonds and any bonds on a parity therewith in any succeeding fiscal year and in each of the reserve accounts for the Prior Bonds, respectively, an amount 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 1999 Bonds for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the 1999 Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

This 1999 Bond is transferable, as provided in the Ordinance, only upon the books of One Valley Bank, National Association, Charleston, West Virginia (the "Registrar"), kept for that purpose at the office of the Registrar, by the registered owner, or

by its attorney duly authorized in writing, upon the surrender of this 1999 Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing.

This 1999 Bond, under the provision of the Act is, and has provided all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

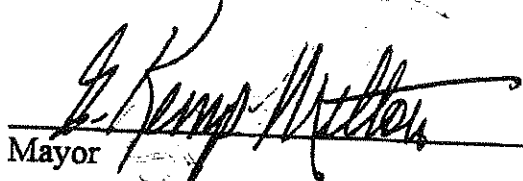
All money received from the sale of this 1999 Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the assumption of the Series 1987 B Bonds described in the Ordinance or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the owner of this 1999 Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this 1999 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 1999 Bond, together with all other obligations of the City, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by the City for the prompt payment of the principal of and interest on this 1999 Bond.

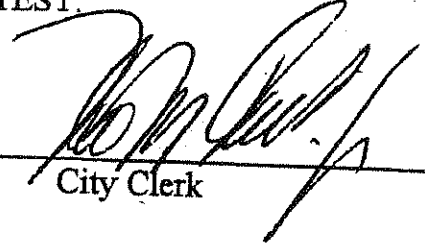
All provisions of the Ordinance, resolutions and statutes under which this 1999 Bond is issued shall be deemed to be a part of the contract evidenced by this 1999 Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this 1999 Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Clerk, and has caused this 1999 Bond to be dated the 22nd day of June, 1999.

[SEAL]


Mayor

ATTEST:


City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This 1999 Bond is one of the 1999 Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above.

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By Charlotte S. Morgan
Its Authorized Officer

Dated: June 22, 1999

SCHEDULE A

SCHEDULE OF ANNUAL DEBT SERVICE

PERIOD ENDING 10/1	ZERO COUPON BONDS
1987	.00
1988	.00
1989	4,716.66
1990	4,716.82
1991	4,716.82
1992	4,716.82
1993	4,716.82
1994	4,716.82
1995	4,716.82
1996	4,716.82
1997	4,716.82
1998	4,716.82
1999	4,716.82
2000	4,716.82
2001	4,716.82
2002	4,716.82
2003	4,716.82
2004	4,716.82
2005	4,716.82
2006	4,716.82
2007	4,716.82
2008	4,716.82
2009	4,716.82
2010	4,716.82
2011	4,716.82
2012	4,716.82
2013	4,716.82
2014	4,716.82
2015	4,716.82
2016	4,716.82
2017	4,716.82
2018	4,716.82
2019	4,716.82
2020	4,716.82

SCHEDULE OF ANNUAL DEBT SERVICE

PERIOD ENDING 10/1 -----	ZERO COUPON BONDS -----
2021	4,716.82
2022	4,716.82
2023	4,716.82
2024	4,716.82
2025	4,716.82
2026	4,717.82

	179,240.00

[Form of Assignment]

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

the within 1999 Bond and does hereby irrevocably constitute and appoint _____
Attorney to transfer the said 1999 Bond on the books kept for registration of the within 1999
Bond of the said City with full power of substitution in the premises.

Dated: _____

In the presence of:

THE CITY OF CHARLESTON, WEST VIRGINIA
\$686,229 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES A
\$132,072 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES B
(MT. TYLER PUBLIC SERVICE DISTRICT)

CERTIFICATE OF CITY CLERK AS TO TRUTH
AND ACCURACY OF DOCUMENTS DELIVERED

I, the undersigned Fred M. Frisk, Jr., the duly elected Clerk of The City of Charleston, West Virginia (the "City"), hereby certify that the copies of the following documents being delivered in connection with the closing of the sale of the \$686,229 The City of Charleston, West Virginia Sewerage System Revenue Bonds, 1999 Series A and \$132,072 The City of Charleston, West Virginia Sewerage System Revenue Bonds, 1999 Series B (the "1999 Bonds"), are, as of the date hereof, true and accurate copies of the originals of those documents maintained on file with the City and delivered in the transcript of proceedings, and that said documents are still in full force and effect as of the date hereof and have not been repealed, rescinded, superseded, amended or modified in any way unless the document effecting such repeal, rescission, supersedence, amendment or modification is also listed below:

1. Charter of the City.
2. Oaths of Office of the Mayor, City Clerk, and members of Council.
3. Sewerage System Bond Ordinance No. 6544.
4. Minutes of Council meeting held January 19, 1999 regarding first reading of the Ordinance.
5. (A) Minutes of meeting held by Council on February 1, 1999, regarding second reading and adoption of the Ordinance, which included abstract and notice of public hearing and (B) minutes of meeting held by Council on February 16, 1999, regarding the public hearing.
6. Resolution No. 179-99 adopted by Council on April 19, 1999, placing the Ordinance into effect and authorizing the above-referenced Bonds (the "Supplemental Resolution") and Minutes of April 19, 1999 Council meeting.
7. Copy of the Commission Order in Case No. 98-0215-PSD-S-PC, dated October 13, 1998, approving the merger of Mt. Tyler Public Service District into the City's Sanitary Board, approving the assumption of debt and approving the rates.
8. Merger Agreement between the Sanitary Board of the City of Charleston and Mt. Tyler Public Service District.

9. Rate Ordinance, as amended on February 16, 1999.

WITNESS my signature and the official seal of The City of Charleston, West Virginia as of the 22nd day of June, 1999.



City Clerk
The City of Charleston, West Virginia

(SEAL)

CHASFS3:141617

THE CITY OF CHARLESTON, WEST VIRGINIA
\$686,229 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES A
\$132,072 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES B
(MT. TYLER PUBLIC SERVICE DISTRICT)

CERTIFICATE AS TO NON-ARBITRAGE

I, G. Kemp Melton, Mayor of The City of Charleston, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of \$686,229 aggregate principal amount of Sewerage System Revenue Bonds, 1999 Series A, of The City of Charleston, West Virginia, dated June 22, 1999 (the "1999 A Bonds"), hereby certify as follows:

1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and applicable regulations (the "Code"). I am one of the officers of the Issuer charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and am duly authorized to execute and deliver this certificate on behalf of the Issuer.

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

3. The Issuer has not been notified by the Internal Revenue Service of any listing or proposed listing of it as an issuer and certification of which may not be relied upon by holders of obligations of the Issuer or that there is any disqualification of the Issuer by the Internal Revenue Service because a certification made by the Issuer contains a material misrepresentation.

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on June 22, 1999, the date on which the Bonds are to be physically delivered in exchange for the issue price thereof, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. In the Sewerage System Bond Ordinance (the "Ordinance") pursuant to which the Bonds are issued, the Issuer has covenanted to make no use of the proceeds of the Bonds which would cause the Bonds to be "arbitrage bonds" within the meaning of the Code.

6. The Bonds were assumed by merger by the Issuer approved by the West Virginia Public Service Commission by an order dated October 15, 1998.

7. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of evidencing the assumption of the District's Sewerage Revenue Bonds, Series 1987 A (the "District Bonds").

8. Pursuant to Section 4.01 of the Ordinance, a sinking fund and a reserve account with respect to the 1999 A Bonds have been created at the Commission.

9. Moneys held in the Sinking Fund will be used solely to pay principal of and interest on the 1999 A Bonds as the same shall become due. Moneys in the Reserve Account in the Sinking Fund shall be used only for the purpose of paying principal of and interest on the 1999 A Bonds, as the same shall become due, when other moneys in the Sinking Fund are insufficient therefor, and for no other purpose. All investment earnings on moneys in the Sinking Fund and Reserve Account shall be transferred, not less than once each year to the Revenue Fund, continued by the Ordinance.

10. Except for the Sinking Fund and the Reserve Account, there are no other funds or accounts established or held by the Issuer which are reasonably expected to be used to pay debt service on the 1999 A Bonds, or which are pledged as collateral for the 1999 A Bonds, and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the 1999 A Bonds, if the Issuer encounters financial difficulties. The Issuer does not expect that moneys in the Renewal and Replacement Fund will be used or needed for payments upon the 1999 A Bonds. Except as provided herein, no funds which have been or will be used to acquire directly or indirectly securities, obligations, annuity contracts or other investment-type property producing a yield in excess of the yield on the 1999 A Bonds, have been or will be pledged to payment of the 1999 A Bonds. The reserve account is fully funded and the amount will not exceed 125% of average annual principal and interest on the Bonds. The establishment of the Reserve Account is required by the Authority, is vital to the assumption of the District Bonds by the 1999 A Bonds and is reasonably required to assure payments of debt service on the 1999 A Bonds. The establishment of the Sinking Fund is required by the Authority and the West Virginia Division of Environmental Protection, is vital to the assumption of the District Bonds of the 1999 A Bonds and is reasonably required to assure payments of debt service on the 1999 A Bonds.

11. The Series 1999 A Bonds are being issued to evidence the City's assumption of the District Bonds. Therefore, no bond proceeds will be received. The reserve funds for the District's 1987 A Bonds, will be transferred to the 1999 A Bonds reserve accounts established by the Ordinance as part of the merger.

12. The City and the District signed an agreement dated September 16, 1997, concerning the proposed merger providing that the City will take possession of all the property and assets of the District, the City will assume all of the legal and financial obligations of the District and the customers served by the District will become customers to be served by the City.

13. Any money deposited in the Sinking Fund for payment of the principal and interest on the Bonds (other than the Reserve Account therein) will be spent within a 13-month period beginning on the date of receipt and any moneys received from the investment of amounts held in the Sinking Fund (other than in the Reserve Account therein) will be spent within a 1-year period beginning the date of receipt.

14. All property financed with the proceeds of the Bonds will be held for Federal income tax purposes by (or on behalf of) a qualified governmental unit.

15. The Issuer shall file Form 8038-G in a timely fashion with the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255.

16. The Issuer shall not permit at any time or times any of the proceeds of the Bonds, or any other funds of the Issuer, to be used directly or indirectly in a manner which would result in the exclusion of 1999 A Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the 1999 A Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions and refrain from taking such actions as shall be necessary to comply with the Code in order to ensure the interest on the 1999 A Bonds is excludable from gross income for Federal income tax purposes.

17. The Bonds, in whole or in part, are not and will not be, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

18. The Issuer will rebate to the United States the amount, if any, required by the Code and to take all steps necessary to make such rebates. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and obtain a waiver from the Internal Revenue Service in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

19. The Issuer has retained the right to amend or supplement its authorizing documents if such amendment or supplement is necessary to preserve the exclusion of the interest on the 1999 A Bonds from gross income for Federal Income Tax purposes.

20. The Issuer shall comply with the yield restriction on the proceeds of the Bonds as set forth in the Code.

21. The Issuer has either (a) funded the Reserve Account at the maximum amount of principal and interest which will mature and become due on the 1999 A Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Reserve Account which will be funded with equal payments on a monthly basis over a 10 year period until such Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Moneys in the Reserve Account and the Sinking Fund (established

for the annual payment of principal and interest) will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

22. The Issuer shall continue to submit to the Authority within thirty (30) days following the end of the Issuer's bond year a certified copy of its rebate calculation or if the Issuer qualifies for the small governmental issuer exception to rebate, then the Issuer shall submit to the Authority a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the bond year which would make the 1999 A Bonds subject to rebate.

23. The Issuer expects that no part of the System will be sold or otherwise disposed of prior to the last maturity date of the Bonds.

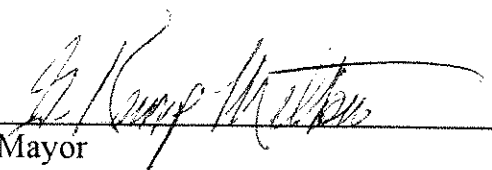
24. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Bonds.

25. Jackson & Kelly PLLC is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinions regarding the tax-exempt status of interest on the 1999 A Bonds.

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

IN WITNESS WHEREOF, I have set my hand this 22nd day of June, 1999.

THE CITY OF CHARLESTON, WEST VIRGINIA

By 
Mayor

CHASFS3:141620

G & T
W & P

GRIGORACI, TRAINER, WRIGHT & PATERNO

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

(A PARTNERSHIP OF ACCOUNTING CORPORATIONS)

608 TENNESSEE AVENUE

P. O. Box 1191
CHARLESTON, WV 25324
(304) 343-5511
FAX: (304) 343-5514

June 18, 1999

Sanitary Board of The City of Charleston
City Building
Charleston, West Virginia

RE: The City of Charleston, West Virginia
\$686,229 Sewerage System Revenue Bonds, 1999 Series A
\$132,072 Sewerage System Revenue Bonds, 1999 Series B
(Mt. Tyler Public Service District)

Gentlemen:

We have been asked to determine if the Sanitary Board of The City of Charleston has achieved or will achieve sufficient coverage of its existing and proposed debt service prior to the issuance of additional parity bonds.

The City of Charleston currently has outstanding the \$1,912,194 Sewer Revenue Bonds, Series 1989 (the "1989 Bonds"), the \$829,856 Sewer Revenue Bonds, Series 1989B (the "1989B Bonds"), the \$2,955,000 Sewerage System Refunding Revenue Bonds, Series 1992A (the "1992A Bonds"), the \$6,670,000 Sewerage System Refunding and Improvement Revenue Bonds, Series 1992B (the "1992B Bonds"), the \$773,237 Sewerage System Revenue Bonds, 1993 Series A (the "1993A Bonds"), the \$2,671,058 Sewerage System Revenue Bonds, Series 1996 A (the "1996A Bonds"), the \$395,299 The City of Charleston Sewerage System Revenue Bonds, Series 1996 B (the "1996B Bonds"), the \$732,688 Sewerage System Revenue Bonds, Series 1997 A (the "1997A Bonds"), the \$5,237,584 Sewerage System Revenue Bonds, Series 1997 B (the "1997B Bonds"), and the \$994,537 Sewerage System Revenue Bonds, 1998 Series A (the "1998A Bonds," and collectively with the above-referenced bonds, the "First Lien Bonds"). The City intends to issue \$686,229 in Sewerage System Revenue Bonds, 1999 Series A (the "1999A Bonds") on June 18, 1999, on a parity with the First Lien Bonds and senior to the Second Lien Bonds and the 1999B Bonds, hereinafter defined.

The City of Charleston currently has outstanding the \$283,458 Supplemental Sewer Revenue Bonds, Series 1989 (the "Supplemental 1989 Bonds") and the \$123,015 Supplemental Sewer Revenue Bonds, Series 1989B (the "Supplemental 1989B Bonds," and collectively with the Supplemental 1989 Bonds, the "Second Lien Bonds"). The City intends to issue \$132,072 Sewerage System Revenue Bonds, 1999 Series B (the "1999B Bonds") on a parity with the Second Lien Bonds and subordinate and junior to the First Lien Bonds and the 1999A Bonds.

It is our opinion that the Net Revenues actually derived from the System during twelve (12) consecutive months, within the eighteen (18) months immediately preceding the date of the actual issuance of the Bonds, plus the estimated average annual Net Revenues to be received in each of the three succeeding years after the completion of the Project being financed by the Bonds, are not less than 115% of the maximum annual amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Bonds and the Prior Bonds.

Capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Bond Ordinance.

Very truly yours,

Gregory Francis Wright & Paterno

THE CITY OF CHARLESTON, WEST VIRGINIA
\$686,229 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES A
\$132,072 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES B
(MT. TYLER PUBLIC SERVICE DISTRICT)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 22nd day of June, 1999, by and between THE CITY OF CHARLESTON, WEST VIRGINIA, a municipal corporation (the "Governmental Agency"), and ONE VALLEY BANK, NATIONAL ASSOCIATION, Charleston, West Virginia (the "Registrar").

WHEREAS, the Governmental Agency has, contemporaneously with the execution hereof, issued and sold its \$686,229 The City of Charleston, West Virginia Sewerage System Revenue Bonds, 1999 Series A, in the form of one bond, numbered AR-1, and its \$132,072 The City of Charleston, West Virginia Sewerage System Revenue Bonds, 1999 Series B, in the form of one bond, numbered BR-1, in fully registered form pursuant to an Ordinance duly passed February 1, 1999, effective April 19, 1999 and the Supplemental Resolution adopted April 19, 1999 relating to the Bonds (collectively, the "Ordinance");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Ordinance, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Ordinance provides for an appointment by the Governmental Agency of a Registrar for the Bonds; and

WHEREAS, the Governmental Agency desires to appoint, and by the Ordinance and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Ordinance and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Governmental Agency and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar, for the Bonds, all as set forth in the Ordinance, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest on the Primary Bonds from gross income for federal income tax purposes, in accordance with any rules and

regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Governmental Agency advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Governmental Agency with appropriate records of all transactions carried out by it as Registrar and to furnish the Governmental Agency with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Governmental Agency may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Governmental Agency.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Governmental Agency hereby agrees to pay to the Registrar, from time to time, the compensation for services rendered as provided in the annexed schedule and reimbursement for reasonable expenses incurred in connection with this Registrar's Agreement.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Ordinance with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Ordinance, the terms of the Ordinance shall govern.

6. The Governmental Agency and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Ordinance will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective address:

GOVERNMENTAL AGENCY:

The City of Charleston
City Hall
P. O. Box 2749
Charleston, WV 25330
Attention: Mayor

REGISTRAR:

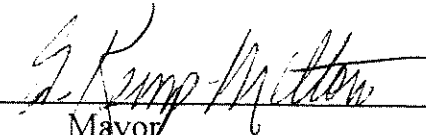
One Valley Bank, National Association
P. O. Box 1793
Charleston, West Virginia 25326
Attention: One Financial Place

The Governmental Agency and the Registrar shall notify the other in writing of any change of address.

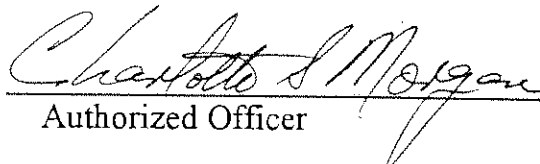
8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Ordinance.

IN WITNESS WHEREOF, THE CITY OF CHARLESTON, WEST VIRGINIA and ONE VALLEY BANK, NATIONAL ASSOCIATION, have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

THE CITY OF CHARLESTON, WEST VIRGINIA

By 
Mayor

ONE VALLEY BANK, NATIONAL ASSOCIATION

By: 
Authorized Officer

141625

EXHIBIT A

See Bond Ordinance (Tab No. 4)

141625

WV MUNICIPAL BOND COMMISSION

Suite 300 - L & S Building

12 Quarrier Street, Charleston, WV 25301

(304) 348-3971

NEW ISSUE REPORT FORM

Date of Report: June 22, 1999

ISSUE: \$686,229 The City of Charleston, West Virginia Sewerage System Revenue Bonds, 1999 Series A (Mt. Tyler Public Service District)ADDRESS: City Hall, Charleston, WV 25330COUNTY: KanawhaPURPOSE OF ISSUE: New Money Other: Assumption of BondsRefunding Refunds issue(s) dated: ISSUE DATE: June 22, 1999CLOSING DATE: June 22, 1999ISSUE AMOUNT: \$686,229RATE: 0%1st DEBT SERVICE DUE: 64,257.071st PRINCIPAL DUE: 6,7511st DEBT SERVICE AMOUNT: \$64,257.07PAYING AGENT: WV Municipal Bond Commission**ISSUERS**BOND COUNSEL: Jackson & Kelly PLLCContact Person: Samme L. Gee, EsquirePhone: (304) 340-1318**UNDERWRITERS**BOND COUNSEL: N/AContact Person: Phone: **(DEPOSITORY)**CLOSING BANK: Contact Person: Phone: ESCROW TRUSTEE: N/AContact Person: Phone: **KNOWLEDGEABLE ISSUER CONTACT:**Contact Person: Bill CollisonPosition: Finance DirectorPhone: (304) 348-8134**OTHER:**Contact Person: Function: Phone: **DEPOSITS TO MBC AT CLOSE:**Accrued Interest: \$ Capitalized Interest: \$ Reserve Account: \$ Other: \$ By Wire Check(s)**REFUNDS & TRANSFERS BY MBC AT CLOSE:**By Wire Check IGTTo Escrow Trustee: \$ To Issuer: \$ To Cons. Invest. Fund \$ To Other: \$

NOTES: This is an assumption only. The original debt service schedule will remain the same and payments will continue as originally due. The Sinking Fund and Debt Service Reserve Fund should be renamed to reflect the assumption by the City of Charleston.

FOR MUNICIPAL BOND COMMISSION USE ONLY:Documents Required: Transfers Required:

WV MUNICIPAL BOND COMMISSION

Suite 300 - L & S Building

12 Quarrier Street, Charleston, WV 25301

(304) 348-3971

NEW ISSUE REPORT FORM

Date of Report: June 22, 1999

ISSUE: \$132,072 The City of Charleston, West Virginia Sewerage System Revenue Bonds, 1999 Series B (Mt. Tyler Public Service District)ADDRESS: City Hall, Charleston, WV 25330COUNTY: KanawhaPURPOSE OF ISSUE: New MoneyOther: Assumption of Bonds

Refunding _____

Refunds issue(s) dated: _____

ISSUE DATE: June 22, 1999CLOSING DATE: June 22, 1999ISSUE AMOUNT: \$132,072RATE: 0%1st DEBT SERVICE DUE: 4,716.821st PRINCIPAL DUE: 4,716.821st DEBT SERVICE AMOUNT: \$4,716.82PAYING AGENT: WV Municipal Bond Commission**ISSUERS**BOND COUNSEL: Jackson & Kelly PLLCContact Person: Samme L. Gee, EsquirePhone: (304) 340-1318**UNDERWRITERS**BOND COUNSEL: N/A

Contact Person: _____

Phone: _____

(DEPOSITORY)

CLOSING BANK: _____

Contact Person: _____

Phone: _____

ESCROW TRUSTEE: N/A

Contact Person: _____

Phone: _____

KNOWLEDGEABLE ISSUER CONTACT:Contact Person: Bill CollisonPosition: Finance DirectorPhone: (304) 348-8134**OTHER:** _____

Contact Person: _____

Function: _____

Phone: _____

DEPOSITS TO MBC AT CLOSE:

Accrued Interest: \$ _____

Capitalized Interest: \$ _____

Reserve Account: \$ _____

Other: \$ _____

By _____ Wire

_____ Check(s)

REFUNDS & TRANSFERS BY MBC AT CLOSE:

By _____ Wire

_____ Check

_____ IGT

To Escrow Trustee: \$ _____

To Issuer: \$ _____

To Cons. Invest. Fund \$ _____

To Other: \$ _____

NOTES: This is an assumption only. The original debt service schedule will remain the same and payments will continue as originally due. The Sinking Fund and Debt Service Reserve Fund should be renamed to reflect the assumption by the City of Charleston.

FOR MUNICIPAL BOND COMMISSION USE ONLY:

Documents Required: _____

Transfers Required: _____

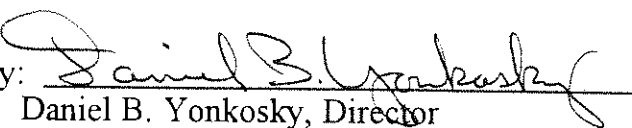
THE CITY OF CHARLESTON, WEST VIRGINIA
\$686,229 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES A
\$132,072 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES B
(MT. TYLER PUBLIC SERVICE DISTRICT)

CONSENT OF THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

I, Daniel B. Yonkosky, Director of the West Virginia Water Development Authority (the "WDA"), registered owner of the entire outstanding aggregate principal amount of the WDA Bonds, hereinafter defined and described, in reliance on the parity test certification of Grigoraci, Trainer, Wright & Paterno, CPAs, hereby consent to the issuance of The City of Charleston, West Virginia (the "Issuer") Sewerage System Revenue Bonds, 1999 Series A (the "1999A Bonds"), in the original aggregate principal amount of \$686,229, under the terms of the ordinance authorizing the Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding \$1,912,194 Sewer Revenue Bonds, Series 1989 (the "1989 Bonds"), the \$829,856 Sewer Revenue Bonds, Series 1989B (the "1989B Bonds"), the \$2,955,000 Sewerage System Refunding Revenue Bonds, Series 1992A (the "1992A Bonds"), the \$6,670,000 Sewerage System Refunding and Improvement Revenue Bonds, Series 1992B (the "1992B Bonds"), the \$773,237 Sewerage System Revenue Bonds, 1993 Series A (the "1993A Bonds"), the \$2,671,058 Sewerage System Revenue Bonds, Series 1996 A (the "1996A Bonds"), the \$395,299 The City of Charleston Sewerage System Revenue Bonds, Series 1996 B (the "1996B Bonds"), the \$732,688 Sewerage System Revenue Bonds, Series 1997 A (the "1997A Bonds"), the \$5,237,584 Sewerage System Revenue Bonds, Series 1997 B (the "1997B Bonds"), and the \$994,537 Sewerage System Revenue Bonds, 1998 Series A (the "1998A Bonds," and collectively with the above-referenced bonds, the "First Lien Bonds"), and also hereby consents to the issuance of Issuer's Sewerage System Revenue Bonds, 1999 Series B (the "1999B Bonds"), in the original aggregate principal amount of \$132,072, with respect to liens, pledge and source of and security for payment to the Issuer's outstanding \$283,458 Supplemental Sewer Revenue Bonds, Series 1989 (the "Supplemental 1989 Bonds") and the \$123,015 Supplemental Sewer Revenue Bonds, Series 1989B (the "Supplemental 1989B Bonds," and collectively with the Supplemental 1989 Bonds, the "Second Lien Bonds"), which Second Lien Bonds are subordinate and junior to the First Lien Bonds and the 1999A Bonds.

WITNESS my signature this 22nd day of June, 1999.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By: 
Daniel B. Yonkosky, Director

THE CITY OF CHARLESTON, WEST VIRGINIA
\$686,229 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES A
\$132,072 SEWERAGE SYSTEM REVENUE BONDS, 1999 SERIES B
(MT. TYLER PUBLIC SERVICE DISTRICT)

CITY'S CERTIFICATE WITH RESPECT TO PARITY BONDS

Pursuant to requirements of Section 6.08 of the Prior Ordinances, the undersigned Mayor and Clerk of The City of Charleston, West Virginia (the "Issuer") hereby certify:

1. The City of Charleston Sewerage System Revenue Bonds, 1999 Series A and The City of Charleston Sewerage System Revenue Bonds, 1999 Series B (the "Bonds") are being issued to evidence the Issuer's assumption of Mt. Tyler PSD outstanding Bonds (the "District Bonds").

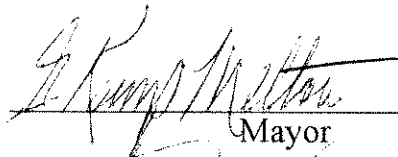
2. The City has received the Certificate of an Independent Accountant with respect to additional parity bonds as required by Section 6.08 and by the West Virginia Water Development Authority for approval of the merger.

3. The City has funded the Reserve Fund for the Bonds simultaneously with the issuance of the Bonds by the transfer of the existing reserve funds for the District Bonds to the 1999 Bonds.

WITNESS our signatures as of this 22nd day of June, 1999.

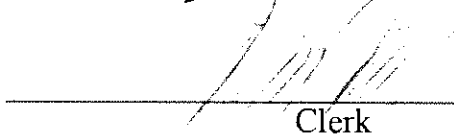
THE CITY OF CHARLESTON, WEST VIRGINIA

By:



Mayor

[SEAL]



Clerk

JACKSON & KELLY PLLC

ATTORNEYS AT LAW

1600 LAIDLEY TOWER

P. O. BOX 553

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WASHINGTON, D.C. 20037
TELEPHONE 202-973-0200

MEMBER OF LEX MUNDI,
THE WORLD'S LEADING ASSOCIATION
OF INDEPENDENT LAW FIRMS.

June 22, 1999

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311-1571

5.1

Re: The City of Charleston, West Virginia
\$686,229 Sewerage System Revenue Bonds, 1999 Series A

Ladies and Gentlemen:

We are bond counsel to The City of Charleston, West Virginia, (the "Issuer"), a municipal corporation.

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement dated March 20, 1987, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Mt. Tyler Public Service District (the "District"), and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of a series of revenue bonds of the Issuer, dated June 22, 1999 (the "Local Bonds"), to evidence the assumption of the District's Sewerage System Revenue Bonds, Series 1987 A (the "District Bond"). The Local Bonds are in the principal amount of \$686,229, issued in the form of one bond registered as to principal and interest to the Authority. Interest shall continue to be paid on the unpaid principal balance at the rate of eight and sixty-three hundredths percent (8.63%) per annum. Principal shall continue to be payable annually on October 1 of each year and interest shall continue to be payable semi-annually on each April 1 and October 1, as set forth in "Schedule X," attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

The Local Bonds are issued for the purpose of evidencing the assumption of the District Bond.

We have also examined the applicable provisions of Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the Sewerage System Bond Ordinance duly enacted by the Issuer on February 16, 1999, (the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and

issued, and the existing Loan Agreement has been assumed by the Issuer. 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.

In connection with the issuance of the Bond, the Issuer has executed a Certificate as to Non-Arbitrage, dated as of the date hereof (the "Certificate as to Non-Arbitrage"), which, among other things, continues to set forth restrictions on the investment and earnings on the 1999 A Bond, to ensure that the arbitrage requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder (collectively, the "Code"), necessary to establish and maintain the excludability of interest on the 1999 A Bond from gross income for federal income tax purposes, are and will continue to be met.

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 assumed by the Issuer and is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof.
2. The Loan Agreement inures to the benefit of the Authority and cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Issuer without the consent of the Authority.
3. The Issuer is a duly organized and presently existing municipal corporation of the State of West Virginia, with full power and authority to acquire by merger the District's assets and assume the District Bond and to operate and maintain the System, which now includes the District's System, referred to in the Loan Agreement and to issue the Local Bonds, all under the Local Statute and other applicable provisions of law.
4. The Issuer has legally and effectively enacted the Local Act and all other necessary resolutions in connection with the assumption of the District Bond by the Local Bonds. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.
5. The Local Bonds are valid and legally enforceable special obligations of the Issuer, payable from the net revenues of the System referred to in the Local Act and secured by a first lien on and pledge of the net revenues of said System, on a parity, with respect to liens, pledge and source of and security for payment with the Issuer's outstanding Prior Bonds and senior to the Sewerage System Revenue Bonds, 1999 Series B Bonds and the WDA Subordinate Bonds, as both are defined in the Ordinance, all in accordance with the terms of the Local Bonds and the Local Act, and have been duly issued and delivered to the Authority.

6. The Issuer has reserved the right to issue additional bonds ranking on a parity with the Local Bonds, as provided in the Local Act.

7. The interest on the Local Bonds continues to be excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer continue to comply, on a continuing basis, with all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Local Bonds set forth in the Local Act and the Certificate as to Non-Arbitrage and with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Local Bonds in order that interest thereon continue to be excludable from gross income for federal income tax purposes. The Issuer has covenanted to continue to comply with all such requirements. Failure to comply with such certifications, covenants, representations and requirements could cause the interest on the Local Bonds to be includable in gross income retroactive to the date of issuance of the Local Bonds. We express no opinion regarding other federal tax consequences with respect to the Local Bonds.

8. The Local Bonds and the interest thereon are and continue to be, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision, or agency thereof.

It is to be understood that the rights of the holders of the 1999 A Bond and the enforceability of the Bond and the Local Act may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that such enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

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

Very truly yours,

Tucker & Kelly PLLC

JACKSON & KELLY PLLC

ATTORNEYS AT LAW

1600 LAIDLEY TOWER

P. O. BOX 553

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TELEPHONE 202-973-0200

MEMBER OF LEX MUNDI,
THE WORLD'S LEADING ASSOCIATION
OF INDEPENDENT LAW FIRMS.

June 22, 1999

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311-1571

5.1

Re: The City of Charleston, West Virginia
\$132,072 Sewerage System Revenue Bonds, 1999 Series B

Ladies and Gentlemen:

We are bond counsel to The City of Charleston, West Virginia, (the "Issuer"), a municipal corporation.

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement dated March 20, 1987, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Mt. Tyler Public Service District (the "District"), and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of a series of revenue bonds of the Issuer, dated June 22, 1999 (the "Local Bonds"), to evidence the assumption of the District's Sewerage System Revenue Bonds, Series 1987 B (the "District Bond"). The Local Bonds are in the principal amount of \$132,072, issued in the form of one bond registered as to principal and interest to the Authority. The Local Bonds shall continue to bear no interest. Principal shall continue to be payable annually on October 1 of each year, as set forth in "Schedule X," attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

The Local Bonds are issued for the purpose of evidencing the assumption of the District Bond.

We have also examined the applicable provisions of Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the Sewerage System Bond Ordinance duly enacted by the Issuer on February 16, 1999, (the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the existing Loan Agreement has been assumed by the Issuer. 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:

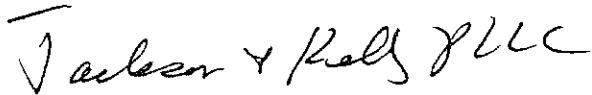
1. The Loan Agreement has been duly assumed by the Issuer and is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof.
2. The Loan Agreement inures to the benefit of the Authority and cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Issuer without the consent of the Authority.
3. The Issuer is a duly organized and presently existing municipal corporation of the State of West Virginia, with full power and authority to acquire by merger the District's assets and assume the District Bond and to operate and maintain the System, which now includes the District's System, referred to in the Loan Agreement and to issue the Local Bonds, all under the Local Statute and other applicable provisions of law.
4. The Issuer has legally and effectively enacted the Local Act and all other necessary resolutions in connection with the assumption of the District Bond by the Local Bonds. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.
5. The Local Bonds are valid and legally enforceable special obligations of the Issuer, payable from the net revenues of the System referred to in the Local Act and secured by a first lien on and pledge of the net revenues of said System, on a parity, with respect to liens, pledge and source of and security for payment with the Issuer's outstanding WDA Subordinate Bonds and junior and subordinate to the Sewerage System Revenue Bonds, 1999 Series A and the Prior Bonds, as both are defined in the Ordinance, all in accordance with the terms of the Local Bonds and the Local Act, and have been duly issued and delivered to the Authority.
6. The Issuer has reserved the right to issue additional bonds ranking on a parity with the Local Bonds, as provided in the Local Act.
7. The Local Bonds and the interest thereon are and continue to be, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision, or agency thereof.

West Virginia Water Development Authority
June 22, 1999
Page 3

It is to be understood that the rights of the holders of the Local Bonds and the enforceability of the Bond and the Local Act may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that such enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

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

Very truly yours,

A handwritten signature in cursive script, reading "Jackson & Kelly LLC". The signature is written in dark ink and is positioned below the typed name "Jackson & Kelly LLC".

142092



CITY OF CHARLESTON
P.O. Box 2749
CHARLESTON, WEST VIRGINIA 25330

G. KEMP MELTON, MAYOR

June 22, 1999

West Virginia Water
Development Authority
180 Association Drive
Charleston, WV 25311-1571

5.2

Jackson & Kelly PLLC
P. O. Box 553
Charleston, WV 25322

Re: The City of Charleston, West Virginia
\$686,229 Sewerage System Revenue Bonds, 1999 Series A
\$132,072 Sewerage System Revenue Bonds, 1999 Series B
(Mt. Tyler Public Service District)

Ladies and Gentlemen:

I am Assistant City Attorney for The City of Charleston, West Virginia (the "City"). As such Assistant City Attorney, I have examined copies of the approving opinion of Jackson & Kelly, as bond counsel, relating to the above-captioned bonds of the City (the "Bonds"), the Loan Agreement by and among the West Virginia Water Development Authority (the "Authority"), the West Virginia Division of Environmental Protection (the "DEP"), and Mt. Tyler PSD (the "District"), dated March 20, 1987, and a Sewerage System Bond Ordinance duly passed by the Council (the "Council") of the City on February 1, 1999, effective April 19, 1999, (the "Ordinance"), and other documents relating to the Bonds. Terms used in said opinions, the Loan Agreement, and Ordinance and not otherwise defined herein have the same meanings herein.

I am of the opinion that:

1. The City is a duly created and validly existing municipal corporation and the Mayor, the City Clerk and the other members of the Council were duly and properly elected or appointed, as applicable, have taken the requisite oaths, and are thereby authorized to act on behalf of the City in their respective capacities.

2. The assumption of the Loan Agreement has been duly authorized by the City and constitutes a valid and binding agreement of the City in accordance with its terms.

3. The members of the Council were duly and properly elected or appointed and are thereby authorized to act on behalf of the City.

4. The Ordinance has been duly enacted by the Council of the City and is in full force and effect.

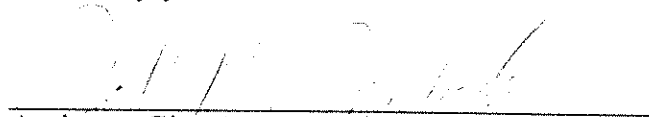
5. The execution and delivery of the Bonds and the assumption of the Loan Agreement and the consummation of the transactions contemplated by the Loan Agreement, and the carrying out of the terms thereof, do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or any existing law, regulation, court order or consent decree to which the City is subject.

6. The City has received all permits, licenses, approvals and authorizations necessary for the issuance of the Bonds, operation of the System, including, without limitation, the receipt of all requisite orders and approvals from the Public Service Commission of West Virginia (the "Public Service Commission"), and has taken any other action required. The Order of the Public Service Commission of West Virginia was entered on October 15, 1998 (Case No. 98-0215-PSD-S-PC), which approved the assumption of the District's assets by merger and the assumption of the District Bonds.

7. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public council or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by or the validity of the Bonds or the collection or pledge of the Revenues therefor.

All counsel to this transaction may rely upon this opinion as if specifically addressed to them.

Very truly yours,



Assistant City Attorney

LAW OFFICES
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T. D. KAUFFELT
JAMES D. KAUFFELT
MARK E. KAUFFELT

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CHARLESTON, WV 25331
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June 22, 1999

W. Christopher Wickham, Esquire
The City of Charleston
P. O. Box 2749
Charleston, WV 25330

Samme L. Gee, Esquire
Jackson & Kelly PLLC
P. O. Box 553
Charleston, WV 25322

Mr. Daniel B. Yonkosky, Director
West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311-1571

Re: The City of Charleston, West Virginia
\$686,299 Sewerage System Revenue Bonds, 1999 Series A
\$132,072 Sewerage System Revenue Bonds, 1999 Series B
(Mt. Tyler Public Service District)

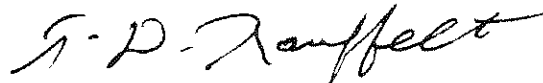
Ladies and Gentlemen:

We have served as counsel to The City of Charleston (the "Issuer") in regard to certain matters concerning the Public Service Commission of West Virginia. In our role as special counsel, we were active in obtaining an Order dated October 15, 1998. Pursuant to the above, I am of the opinion as follows:

The Issuer has received a Commission Order Approving the Merger from the Public Service Commission of West Virginia and said Order is in full force and effect.

This opinion may be relied upon as if addressed to all counsel.

Very truly yours,



T. D. Kauffelt
Counsel for Public Service Commission
matters

TDK/rf
r020c906rmt