



Office of the City Clerk

The City of Morgantown

Linda L. Little, CMC
389 Spruce Street, Room 10
Morgantown, West Virginia 26505
(304) 284-7439 Fax: (304) 284-7525
llittle@cityofmorgantown.org

AMENDED AGENDA
MORGANTOWN CITY COUNCIL
REGULAR MEETING
July 16, 2013
7:00 p.m.

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **PLEDGE TO THE FLAG**
4. **APPROVAL OF MINUTES: Regular Meeting – July 2, 2013**
5. **CORRESPONDENCE**
6. **PUBLIC HEARING:**
 - A. **PUBLIC HEARING on A BOND ORDINANCE PROVIDING FOR THE ASSUMPTION OF THE SCOTTS RUN PUBLIC SERVICE DISTRICT SEWER SYSTEM AND ITS: (I) SEWER REVENUE BONDS, SERIES 1991 A, (II) SEWER REVENUE BONDS, SERIES 1991 B, (III) SEWER REVENUE BONDS, SERIES 2003 A AND (IV) SEWER REVENUE BONDS, SERIES 2009 A AND RE-DESIGNATING AND REPLACING WITH ITS: (I) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 B; (II) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 C; (III) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 D; AND (IV) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 E (COLLECTIVELY, THE “BONDS”). THE BONDS ARE PAYABLE SOLELY FROM REVENUES TO BE DERIVED FROM THE OWNERSHIP AND OPERATION OF THE COMBINED UTILITY SYSTEM OF THE CITY.**
 - B. **PUBLIC HEARING on AN ORDINANCE BY THE CITY OF MORGANTOWN AUTHORIZING A TERMINABLE RIGHT-OF WAY AND EASEMENT AGREEMENT BY AND BETWEEN THE CITY OF MORGANTOWN, GRANTOR, AND DEDRA F. BLANKENSHIP, GRANTEE, AS THE SAME**

APPLIES TO A STORMWATER LINE WITHIN THE CITY'S KREPPS PARK REALTY.

- C. PUBLIC HEARING on AN ORDINANCE BY THE CITY OF MORGANTOWN AMENDING SECTIONS 1751.06(b) AND 1751.07(d) OF ITS BUILDING AND HOUSING CODE, AS THE SAME APPLY TO INSPECTIONS AND LETTERS OF COMPLIANCE; AND ADDING A NEW SECTION 1751.18 TO ARTICLE 1751 ADDRESSING CARBON MONOXIDE DETECTORS.**
- D. PUBLIC HEARING on AN ORDINANCE BY THE CITY OF MORGANTOWN AMENDING A JANUARY 6, 2009, LEASE AGREEMENT BY AND BETWEEN IT, AS LESSOR, AND THE STATE OF WEST VIRGINIA, LESSEE, PERTAINING TO SPACE WITHIN THE AIRPORT TERMINAL BUILDING BEING UTILIZED BY THE WEST VIRGINIA ARMY NATIONAL GUARD BAND.**
- E. PUBLIC HEARING on AN ORDINANCE BY THE CITY OF MORGANTOWN, AUTHORIZING A LEASE AGREEMENT AMENDMENT BY IT, AS LESSOR, AND THE UNITED STATES OF AMERICA, AS LESSEE, ON BEHALF OF THE TRANSPORTATION SECURITY ADMINISTRATION (TSA), AS THE SAME APPLIES TO LEASE TERM AND RENTAL PAYMENT.**

7. UNFINISHED BUSINESS:

- A. Consideration of APPROVAL of THIRD READING (ADOPTION) of A BOND ORDINANCE PROVIDING FOR THE ASSUMPTION OF THE SCOTTS RUN PUBLIC SERVICE DISTRICT SEWER SYSTEM AND ITS: (I) SEWER REVENUE BONDS, SERIES 1991 A, (II) SEWER REVENUE BONDS, SERIES 1991 B, (III) SEWER REVENUE BONDS, SERIES 2003 A AND (IV) SEWER REVENUE BONDS, SERIES 2009 A AND RE-DESIGNATING AND REPLACING WITH ITS: (I) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 B; (II) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 C; (III) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 D; AND (IV) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 E (COLLECTIVELY, THE "BONDS"). THE BONDS ARE PAYABLE SOLELY FROM REVENUES TO BE DERIVED FROM THE OWNERSHIP AND OPERATION OF THE COMBINED UTILITY SYSTEM OF THE CITY. (First Reading June 18, 2013; Second Reading July 2, 2013)**

- B. Consideration of **APPROVAL of SECOND READING (ADOPTION) of AN ORDINANCE BY THE CITY OF MORGANTOWN AUTHORIZING A TERMINABLE RIGHT-OF WAY AND EASEMENT AGREEMENT BY AND BETWEEN THE CITY OF MORGANTOWN, GRANTOR, AND DEDRA F. BLANKENSHIP, GRANTEE, AS THE SAME APPLIES TO A STORMWATER LINE WITHIN THE CITY'S KREPPS PARK REALTY. (First Reading July 2, 2013)**
- C. Consideration of **APPROVAL of SECOND READING (ADOPTION) of AN ORDINANCE BY THE CITY OF MORGANTOWN AMENDING SECTIONS 1751.06(b) AND 1751.07(d) OF ITS BUILDING AND HOUSING CODE, AS THE SAME APPLY TO INSPECTIONS AND LETTERS OF COMPLIANCE; AND ADDING A NEW SECTION 1751.18 TO ARTICLE 1751 ADDRESSING CARBON MONOXIDE DETECTORS. (First Reading July 2, 2013)**
- D. Consideration of **APPROVAL of SECOND READING (ADOPTION) of AN ORDINANCE BY THE CITY OF MORGANTOWN AMENDING A JANUARY 6, 2009, LEASE AGREEMENT BY AND BETWEEN IT, AS LESSOR, AND THE STATE OF WEST VIRGINIA, LESSEE, PERTAINING TO SPACE WITHIN THE AIRPORT TERMINAL BUILDING BEING UTILIZED BY THE WEST VIRGINIA ARMY NATIONAL GUARD BAND. (First Reading July 2, 2013)**
- E. Consideration of **APPROVAL of SECOND READING (ADOPTION) of AN ORDINANCE BY THE CITY OF MORGANTOWN, AUTHORIZING A LEASE AGREEMENT AMENDMENT BY IT, AS LESSOR, AND THE UNITED STATES OF AMERICA, AS LESSEE, ON BEHALF OF THE TRANSPORTATION SECURITY ADMINISTRATION (TSA), AS THE SAME APPLIES TO LEASE TERM AND RENTAL PAYMENT. (First Reading July 2, 2013)**
- F. **BOARDS AND COMMISSIONS**

- 8. **PUBLIC PORTION WHICH SHALL BE SUBJECT TO RULES ESTABLISHED BY COUNCIL AND ADOPTED BY RESOLUTION**
- 9. **SPECIAL COMMITTEE REPORTS**
- 10. **NEW BUSINESS:**

- A. Consideration of **APPROVAL** of **FIRST READING** of **AN ORDINANCE AMENDING THE FY 2013-2014 ANNUAL BUDGET OF THE CITY OF MORGANTOWN AS SHOWN IN THE REVISED BUDGET ATTACHED HERETO AND MADE A PART OF THIS ORDINANCE AS THE SAME APPLIES TO THE COAL SEVERANCE FUND.**

- B. Consideration of **APPROVAL** of **FIRST READING** of **AN ORDINANCE AMENDING THE FY 2013-2014 ANNUAL BUDGET OF THE CITY OF MORGANTOWN AS SHOWN IN THE REVISED BUDGET ATTACHED HERETO AND MADE A PART OF THIS ORDINANCE AS THE SAME APPLIES TO THE GENERAL FUND.**

- C. Consideration of **APPROVAL** of **FIRST READING** of **AN ORDINANCE BY THE CITY OF MORGANTOWN AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT BETWEEN IT AND THE MONONGALIA COUNTY DEVELOPMENT AUTHORITY WHICH PERTAINS TO THE FUNDING OF A MITIGATION PLAN PERTAINING TO THE CONSTRUCTION OF THE MORGANTOWN MUNICIPAL AIRPORT ACCESS ROAD; SAID FUNDING PLAN BEING REQUIRED BY THE UNITED STATES ARMY CORPS OF ENGINEERS.**

11. CITY MANAGER'S REPORT:

INFORMATION:

- 1. Energy Conservation Measures Verification Report**

- 2. 2013 Urban Archery Deer Hunt Rules**

12. REPORT FROM CITY CLERK

13. REPORT FROM CITY ATTORNEY

14. REPORT FROM COUNCIL MEMBERS

15. ADJOURNMENT

If you need an accommodation contact us at (304) 284-7439

REGULAR MEETING, JULY 2, 2013: The regular meeting of the Common Council of the City of Morgantown was held in the Council Chambers of City Hall on Tuesday, July 2, 2013 at 7:00P.M.

PRESENT: City Manager Jeff Mikorski, Assistant City Manager of Operations Glen Kelly, City Attorney Steve Fanok, City Clerk Linda Little, and Council Members: Ron Bane, Bill Kawecki, Wes Nugent, Jenny Selin, Marti Shamberger, Mike Fike and Nancy Ganz.

The meeting was called to order by City Clerk Linda Little, in order to conduct the administration of oaths and to elect the Mayor and Deputy Mayor.

COUNCIL MEMBER OATHS OF OFFICE: The City Clerk administered the Oath of Office to Council Members for the term of July 2, 2013 to June 30, 2015.

ELECTION OF MAYOR AND DEPUTY MAYOR:

The City Clerk opened the floor for nominations among Council for the offices of Mayor and Deputy Mayor.

Nomination by Bane to elect Councilor Nugent as Mayor. Following a point of order by Nugent that a second is not required by Robert's Rules of Order, the question was called. Motion to elect Wes Nugent as Mayor failed 2-5. Councilors Kawecki, Selin, Shamberger, Fike and Ganz voted NO.

Nomination by Shamberger, second by Fike to elect Councilor Selin as Mayor. Motion carried 5-2, electing Jenny Selin as the Mayor of the City of Morgantown. Councilors Bane and Nugent voted NO.

Nomination by Nugent, second by Bane to elect Councilor Ganz as Deputy Mayor. The question was called immediately, and the motion failed 2-5. Councilors Kawecki, Selin, Shamberger, Fike and Ganz voted NO.

Nomination by Fike, second by Ganz, to elect Councilor Shamberger as Deputy Mayor. Motion carried 5-2, electing Marti Shamberger as the Deputy Mayor of the City of Morgantown. Councilors Bane and Nugent voted NO.

OATH OF OFFICE FOR MAYOR AND DEPUTY MAYOR:

The City Clerk administered the Oath of Office to Mayor Selin and Deputy Mayor Shamberger for the term of July 2, 2013 to June 30, 2014.

Thereafter, Mayor Selin assumed the Chair of the meeting and began to conduct the regular business of Council.

APPROVAL OF MINUTES: The minutes of the Regular Meeting of June 18, 2013, were approved as presented.

CORRESPONDENCE:

Convention and Visitors Bureau Presentation on Relocation:

Peggy Myers-Smith of the CVB presented information to Council about the Bureau's plans to relocate its headquarters, along with their goals perceived benefits for the potential move. Council then addressed questions to Mrs. Myers-Smith about the CVB's plans for change.

PUBLIC HEARING – AN ORDINANCE AMENDING TABLE 1331.05.01 “PERMITTED LAND USES” OF THE PLANNING AND ZONING CODE AS IT PERTAINS TO “LODGING OR ROOMING HOUSE” USES.

There being no appearances, Mayor Selin declared the public hearing closed.

PUBLIC HEARING – AN ORDINANCE AMENDING ARTICLE 1365.09 OF THE PLANNING AND ZONING CODE AS IT PERTAINS TO PARKING DEVELOPMENT STANDARDS.

There being no appearances, Mayor Selin declared the public hearing closed.

PUBLIC HEARING – AN ORDINANCE AMENDING ARTICLE 1363.04 “SPECIAL REQUIREMENTS” OF THE PLANNING AND ZONING CODE AS IT PERTAINS TO THE NUMBER OF PRINCIPAL STRUCTURES PERMITTED ON A LOT.

There being no appearances, Mayor Selin declared the public hearing closed.

PUBLIC HEARING – AN ORDINANCE AMENDING SECTION 925.03 OF THE CITY OF MORGANTOWN’S STREETS, UTILITIES AND PUBLIC SERVICES CODE BY SETTING FORTH THE RATES, FEES AND CHARGES FOR SERVICE TO CUSTOMERS OF THE SEWERAGE SYSTEM OF THE CITY OF MORGANTOWN, INCLUDING THE ADDITION OF A NEW SCHEDULE FOR THE SCOTTS RUN PUBLIC SERVICE DISTRICT TERRITORY.

John Stump, Attorney, Steptoe & Johnson, gave a brief explanation above of the sewerage rate Ordinance for the Scotts Run District.

There being no more appearances, Mayor Selin declared the public hearing closed.

PUBLIC HEARING – AN ORDINANCE AUTHORIZING THE ACQUISITION OF THE SEWERAGE COLLECTION AND TRANSPORTATION SYSTEM OF SCOTTS RUN PUBLIC SERVICE DISTRICT AND APPROVING AN ACQUISITION AGREEMENT BY AND AMONG SCOTTS RUN PUBLIC SERVICE DISTRICT, THE CITY OF MORGANTOWN AND MORGANTOWN UTILITY BOARD.

John Stump, Attorney, Steptoe & Johnson, gave a brief explanation on the above Ordinance for the acquisition of the Scotts Run Public Service District.

There being no appearances, Mayor Selin declared the public hearing closed.

UNFINISHED BUSINESS:

AN ORDINANCE AMENDING THE “PERMITTED LAND USES” TABLE IN THE PLANNING AND ZONING CODE: The below entitled Ordinance was presented for second reading:

AN ORDINANCE AMENDING TABLE 1331.05.01 “PERMITTED LAND USES” OF THE PLANNING AND ZONING CODE AS IT PERTAINS TO “LODGING OR ROOMING HOUSE” USES.

Motion by Kaweck, second by Shamberger to adopt the above entitled Ordinance. After explanation from City Manager Jeff Mikorski, motion carried 7-0.

AN ORDINANCE AMENDING THE PLANNING AND ZONING CODE, PARKING DEVELOPMENT STANDARDS: The above entitled Ordinance was presented for second reading.

AN ORDINANCE AMENDING ARTICLE 1365.09 OF THE PLANNING AND ZONING CODE AS IT PERTAINS TO PARKING DEVELOPMENT STANDARDS.

Motion by Nugent, second by Bane, to adopt the above entitled Ordinance. Motion carried 7-0.

AN ORDINANCE AMENDING THE PLANNING AND ZONING CODE, PRINCIPAL STRUCTURES PERMITTED ON A LOT: The above entitled Ordinance was presented for second reading.

AN ORDINANCE AMENDING ARTICLE 1363.04 "SPECIAL REQUIREMENTS" OF THE PLANNING AND ZONING CODE AS IT PERTAINS TO THE NUMBER OF PRINCIPAL STRUCTURES PERMITTED ON A LOT.

Motion by Bane, second by Fike to adopt the above entitled Ordinance. Motion carried 7-0.

AN ORDINANCE AMENDING THE PUBLIC SERVICES CODE, AND FEE SCHEDULE FOR SCOTTS RUN DISTRICT: The above entitled Ordinance was presented for second reading.

AN ORDINANCE AMENDING SECTION 925.03 OF THE CITY OF MORGANTOWN'S STREETS, UTILITIES AND PUBLIC SERVICES CODE BY SETTING FORTH THE RATES, FEES AND CHARGES FOR SERVICE TO CUSTOMERS OF THE SEWERAGE SYSTEM OF THE CITY OF MORGANTOWN, INCLUDING THE ADDITION OF A NEW SCHEDULE FOR THE SCOTTS RUN PUBLIC SERVICE DISTRICT TERRITORY.

Motion by Bane, second by Nugent to adopt the above entitled Ordinance. Motion carried 7-0.

AN ORDINANCE AUTHORIZING THE ACQUISITION OF THE SCOTTS RUN PSD: The above entitled Ordinance was presented for second reading.

AN ORDINANCE AUTHORIZING THE ACQUISITION OF THE SEWERAGE COLLECTION AND TRANSPORTATION SYSTEM OF SCOTTS RUN PUBLIC SERVICE DISTRICT AND APPROVING AN ACQUISITION AGREEMENT BY AND AMONG SCOTTS RUN PUBLIC SERVICE DISTRICT, THE CITY OF MORGANTOWN AND MORGANTOWN UTILITY BOARD.

Motion by Bane, second by Shamberger to adopt the above entitled ordinance. Motion carried 7-0.

A BOND ORDINANCE PROVIDING FOR THE ASSUMPTION OF THE SCOTTS RUN PUBLIC RUN SERVICE DISTRICT SEWER SYSTEM: The above entitled Ordinance was presented for second reading.

A BOND ORDINANCE PROVIDING FOR THE ASSUMPTION OF THE SCOTTS RUN PUBLIC SERVICE DISTRICT SEWER SYSTEM AND ITS: (I) SEWER REVENUE BONDS, SERIES 1991 A, (II) SEWER REVENUE BONDS, SERIES 1991 B, (III) SEWER REVENUE BONDS, SERIES 2003 A AND (IV) SEWER REVENUE BONDS, SERIES 2009 A AND RE-DESIGNATING AND REPLACING WITH ITS: (I) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 B; (II) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 C; (III) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 D; AND (IV) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 E (COLLECTIVELY, THE "BONDS"). THE BONDS ARE PAYABLE SOLELY

FROM REVENUES TO BE DERIVED FROM THE OWNERSHIP AND OPERATION OF THE COMBINED UTILITY SYSTEM OF THE CITY.

After, City Manager Jeff Mikorski reminded Council that there will be three readings of this ordinance and final adoption on July 16th, 2013. Motion by Nugent, second by Bane to pass above entitled ordinance to third and final reading. Motion carried 7-0.

BOARDS AND COMMISSIONS: By acclamation of Council the following persons were re-appointed to their respective boards and commissions:

Frank Scafella and Councilor Shamberger to BOPARC; Councilor Kawecki to the Met Theatre Commission; Dennis Bidwell and Councilor Nugent to the Parking Authority; Councilor Kawecki to the Planning Commission; Councilor Ganz to the Sister Cities Commission and Urban Landscape; Councilor Bane to the Transit Authority; Don West, David Huffman, Roger Banks, Steve Carpenter, William Ryan, Guy Panrell, and Alan Donaldson to the Ward & Boundary Commission; and Councilor Fike as City Liaison to the Greater Morgantown Area Youth Commission and Traffic Commission.

PUBLIC PORTION:

Renee Hernandez, 224 Overdale, thanked and welcomed the new City Council members and reported on nuisance truck traffic. She asked that Council find a way to enforce trucking laws and re-route the truck traffic.

There being no more appearances, Mayor Selin declared the public portion closed.

SPECIAL COMMITTEE REPORTS:

Councilor Nugent commended the History Museum on their events for the 150th Anniversary of the State of West Virginia. He thanked all of the involved staff and members of the Commission for the success of the occasion.

Councilor Shamberger reported that she and Councilor Kawecki met with Rev. Sononday about the Homelessness Task Force and shared resources and goals of the group.

NEW BUSINESS:

AN ORDINANCE AUTHORIZING A RIGHT OF WAY FOR A STORMWATER LINE WITHIN KREPPS PARK REALTY: The below entitled Ordinance was presented for first reading:

AN ORDINANCE BY THE CITY OF MORGANTOWN AUTHORIZING A TERMINABLE RIGHT-OF-WAY AND EASEMENT AGREEMENT BY AND BETWEEN THE CITY OF MORGANTOWN, GRANTOR, AND DEDRA F. BLANKENSHIP, GRANTEE, AS THE SAME APPLIES TO A STORMWATER LINE WITHIN THE CITY'S KREPPS PARK REALTY.

Motion by Bane, second by Kawecki to pass the above entitled Ordinance to second reading. After discussion, motion carried 7-0.

AN ORDINANCE AMENDING THE BUILDING AND HOUSING CODE, ADDRESSING CARBON MONOXIDE DETECTORS: The below entitled Ordinance was presented for first reading:

AN ORDINANCE BY THE CITY OF MORGANTOWN AMENDING SECTIONS 1751.06(b) AND 1751.07(d) OF ITS BUILDING AND HOUSING CODE, AS THE SAME APPLY TO INSPECTIONS AND LETTERS OF COMPLIANCE; AND ADDING A NEW SECTION 1751.18 TO ARTICLE 1751 ADDRESSING CARBON MONOXIDE DETECTORS.

Motion by Bane, second by Ganz to pass the above entitled Ordinance to second reading. After discussion, motion carried 7-0.

AN ORDINANCE AMENDING A LEASE AGREEMENT FOR SPACE AT THE AIRPORT UTILIZED BY THE ARMY NATIONAL GUARD BAND: The below entitled Ordinance was presented for first reading:

AN ORDINANCE BY THE CITY OF MORGANTOWN AMENDING A JANUARY 6, 2009, LEASE AGREEMENT BY AND BETWEEN IT, AS LESSOR, AND THE STATE OF WEST VIRGINIA, LESSEE, PERTAINING TO SPACE WITHIN THE AIRPORT TERMINAL BUILDING BEING UTILIZED BY THE WEST VIRGINIA ARMY NATIONAL GUARD BAND.

Motion by Nugent, second by Bane to pass the above entitled Ordinance to second reading. Motion carried 7-0.

AN ORDINANCE AMENDING A LEASE AGREEMENT WITH THE U.S. GOVERNMENT FOR TSA LEASE TERM AND RENTAL PAYMENT AT THE AIRPORT: The below entitled Ordinance was presented for first reading:

AN ORDINANCE BY THE CITY OF MORGANTOWN, AUTHORIZING A LEASE AGREEMENT AMENDMENT BY IT, AS LESSOR, AND THE UNITED STATES OF AMERICA, AS LESSEE, ON BEHALF OF THE TRANSPORTATION SECURITY ADMINISTRATION (TSA), AS THE SAME APPLIES TO LEASE TERM AND RENTAL PAYMENT.

Motion by Shamberger, second by Nugent to pass the above entitled Ordinance to second reading. Motion carried 7-0.

CITY MANAGERS REPORT:

Mr. Mikorski had no report, but wished everyone a Happy 4th of July.

REPORT FROM CITY CLERK: City Clerk wished all a Happy 4th and apologized to the City Attorney for not having enough chair space when doing the oaths for Council.

REPORT FROM CITY ATTORNEY: No report.

REPORT FROM COUNCIL MEMBERS:

Councilor Bane:

Councilor Bane offered hopes that the new members of Council will embrace the quality administration in place at City Hall. He commended Mr. Mikorski, Mr. Kelly and Mr. Fanok for their good leadership over the years.

Councilor Kawecki

Councilor Kawecki echoed Councilor Bane's comments about the administration of the City, thanked them for their work and looks forward to working together over the coming term.

Councilor Nugent: Councilor Nugent welcomed the new Council Members Kawecki, Fike and Ganz, concurring with Councilor Bane's praise of City Administration. He also congratulated Mayor Selin and Deputy Mayor Shamberger on their appointments of office. He gave his opinion for the vote of Mayor out of respect for his constituents and supporters. A small discussion then erupted about the City's past history of having 14 Council members seated in Chambers. Councilor Nugent stated he is looking forward to working with the new members and wished everyone a happy Independence Day.

Councilor Shamberger: Councilor Shamberger thanked her family and friends for their support, and thanked her colleagues who elected her as Deputy Mayor. She asked the Manager that a Committee be developed in order to monitor the development of the Woodburn School property.

Councilor Fike: Councilor Fike noted that it has been a time of education for him since the election and that the function of local government is more intricate than he previously imagined. He thanked everyone for their help and commended the City Clerk, City Manager and Communications Manager for their help in his transition. He stated that his goal is to approach problems by the facts and address all stakeholders to come up with an amicable solution. He also noted that Jerome Park is in the process of revitalizing their neighborhood association, and have established a website.

Councilor Ganz: Councilor Ganz commented that Suncrest Kiwanis is raising funds for the Jerome Park revitalization. She thanked her predecessors serving in these council seats before us; it is humbling for being a Councilor is lots of work. She also publicly affirmed her appreciation of the City Manager in helping Council learn their new process of what they will be doing, and asked for more time with him in the future to learn even more about the City. She then announced the 4th of July parade, 9th of July Concerts in the Park at Krepps Park and the Suncrest Picnic will be on July 25th.

Mayor Selin: Mayor Selin stated that we live in one of the Best Small Cities in America, livable and prosperous. As Mayor I am looking forward to working with the City Manager, Employees, Volunteers and the Business Community. She then asked that the citizens join the 7 Councilors as they work together, and commented is excited to get to work. She announced the July 4th events and the altered traffic for that day.

ADJOURNMENT: There being no further items of business or discussion, the meeting adjourned by unanimous consent at 8:55 p.m.

City Clerk

Mayor

*A FULL TRANSCRIPT OF ALL COUNCIL MEETINGS IS AVAILABLE ON DVD AT THE MORGANTOWN CITY LIBRARY.



Office of the City Manager

The City of Morgantown

Interim City Manager
Jeff Mikorski, ICMA-CM
389 SPRUCE STREET
MORGANTOWN, WEST VIRGINIA 26505
(304) 284-7405 FAX: (304) 284-7430
www.morgantownwv.gov

City Manager's Report for City Council July 16, 2013

Information:

1. Energy Conservation Measures verification Report

The City has received the second year measurement and verification of the energy savings agreement from the energy conservation measures performed by the City completed in 2010. Attached is the executive summary that outlines the \$231,684 of savings from reduced energy consumption. Over the last two years, the total savings from reduced energy consumption is \$527,585, a \$36,025 increase over expected savings.

2. 2013 Urban Archery Deer Hunt Rules

Attached are the rules for the 2013 Urban Archery Deer Hunt for the City of Morgantown. According to the Urban Deer Management 505.18, the City Manager approves of the deer hunting rules and presents those rules to City Council prior to the deer archery season. Changes include the modification of locations and the ability of the hunter to check-in two deer (as long as they are not both bucks) on the same day.

Jeff Mikorski, City Manager

I. EXECUTIVE SUMMARY

Introduction

Constellation, an Exelon company, is pleased to present this annual Measurement & Verification Report to City of Morgantown.

Under the requirements of the guaranteed energy service agreement, Constellation has provided and installed the Energy Conservation Measures (ECMs) as proposed through the IGA report and the Guaranteed Energy Savings Agreement.

Since the projected energy savings for each ECM is dependent upon its design and performance, any variation to those parameters need to be documented. Any changes to the original design may adversely affect the proposed energy savings.

The intent of this report is to identify, verify, and document the critical parameters for energy savings and establish their compliance with the approved designs set forth in the IGA Report for all of the ECMs involved.

This report is structured such that Section I provides an executive summary of the report which includes project background information, locations, ECM substantial completion dates, and an overview of annual ECM savings. Section II provides an overview of the ECMs, a review of the scope of work and installed equipment for each of these ECMs, and a summary of the Measurement and Verification (M&V) methodology and savings for each of these ECMs. The Appendices in Section III provide detailed worksheets, M&V data, and documentation.

Project Background

On July 7, 2008, Constellation submitted a response to the Request for Qualifications (RFQ) issued by the City of Morgantown for a Guaranteed Energy Savings Contract on June 6, 2008. Through this proposal, Constellation identified its project team's technical ability and its financial ability to help the City of Morgantown exceed expectations with respect to the energy savings initiative. On September 17, 2008, Constellation submitted a Letter of Intent (LOI) to the City of Morgantown to gain authorization to conduct an Investment Grade Audit (IGA). On

November 6, 2008, the City of Morgantown signed the LOI. On April 22, 2009, Constellation submitted an Investment Grade Audit report which summarized the potential for energy savings from the analysis performed during the detailed energy audit phase. On July 14, 2009, the City of Morgantown signed the Guaranteed Energy Savings Agreement. On April 29, 2010 Constellation finished ECM construction and provided the City of Morgantown with a Final Completion Approval Form, which was signed by both parties on that date. On December 12, 2011 the year one performance M&V report was sent to the City of Morgantown. This Guaranteed Energy Savings Contract includes ten ECMs, which affect 16 facilities/areas within the City of Morgantown shown in the table below.

Project Locations	Addresses
MGW Airport	100 Hart Field Road, Morgantown, WV 26505
City Hall	389 Spruce Street, Morgantown, WV 26505
Southside Fire Station	228 South High Street, Morgantown, WV 26501
Maintenance Building	Greenbag Road, Morgantown, WV 26505
BOPARC Ice Rink	1001 Mississippi Street, Morgantown, WV 26501
Public Safety Building	300 Spruce Street, Morgantown, WV 26505
Public Safety Parking	300 Spruce Street, Morgantown, WV 26505
Parking Garage - Chestnut	Chestnut Street, Morgantown, WV 26505
Parking Garage - Wharf	Wharf Street, Morgantown, WV 26505
Parking Garage - D Parking	D Parking, Morgantown, WV 26505
Signs and Signal Building	Greenbag Road, Morgantown, WV 26505
Norwood Fire Station	Morgantown, WV 26505
Metropolitan Theatre	371 High Street, Morgantown, WV 26505
Garlow House	Morgantown, WV 26505
City Library	373 Spruce Street, Morgantown, WV 26505
Traffic Signals	City Wide - See Intersections Table – ECM 1 Lighting Upgrades

The ECMs were implemented for the project and substantially completed by the dates provided in the following table.

Project ECM Description	Substantial Completion Date
Interior Lighting Upgrade	13-Nov-09
Traffic Signal Upgrade	13-Nov-09
Pipe Insulation	16-Oct-09

Project ECM Description	Substantial Completion Date
VFD Air Handling	16-Oct-09
Boiler Upgrade	15-Oct-09
New Metal Roof	12-Oct-09
New Garage Panel Doors	21-Aug-09
Roustan Ice Plant	25-Sep-09
HHW Boiler and Fill Upgrade	25-Sep-09
HVAC Upgrade – Floor 1 South	2-Oct-09

Utility Rates

Base Utility Rates - The base unit rates agreed upon in the contract

Building No.	Building Name	Electricity (kW)	Electricity (kWh)	Fuel (MCF)	Water/Sewer (kgal)
1	MGW Airport	\$10.32000	\$0.03443	\$13.30731	\$3.82000
2	City Hall	\$10.32000	\$0.03443	\$12.60400	\$4.01000
3	Southside Fire Station	\$10.32000	\$0.03443	\$13.09266	\$4.23000
4	Maintenance Building	\$10.32000	\$0.03443	\$12.17700	\$3.79000
5	Public Safety Building	\$10.32000	\$0.03443	\$13.22364	\$4.23000
6	BOPARC Ice Rink	\$10.32000	\$0.03443	\$13.56414	\$3.92000
7	Public Safety Parking	\$10.32000	\$0.03443	-	-
8	Parking Garage – Chestnut	\$10.32000	\$0.03443	-	-
9	Parking Garage - Wharf	\$10.32000	\$0.03443	-	-
10	Parking Garage - D Parking	-	\$0.08088	-	-
11	Signs and Signal Building	-	\$0.08088	-	-
12	Norwood Fire Station	-	\$0.08088	-	-
13	Metropolitan Theatre	-	\$0.08088	-	-
14	Garlow House	-	\$0.08088	-	-
15	City Library	\$10.32000	\$0.03443	-	-
16	City Wide - Traffic Signals	-	\$0.08088	-	-



Project Savings Escalation Rates

The following rates are defined in Schedule D, Exhibit-1 of the contract and are applied annually starting January 1, 2010.

Annual Escalation Rates - As Per Schedule D of the Contract				
Escalation Date	Electricity (kW)	Electricity (kWh)	Fuel (MCF)	Water/Sewer (kgal)
January 1, 2010	15%	15%	3%	3%
January 1, 2011	15%	15%	3%	3%
January 1, 2012	3%	3%	3%	3%
January 1, 2013	3%	3%	3%	3%
January 1, 2014	3%	3%	3%	3%
January 1, 2015	3%	3%	3%	3%
January 1, 2016	3%	3%	3%	3%
January 1, 2017	3%	3%	3%	3%
January 1, 2018	3%	3%	3%	3%
January 1, 2019	3%	3%	3%	3%
January 1, 2020	3%	3%	3%	3%
January 1, 2021	3%	3%	3%	3%
January 1, 2022	3%	3%	3%	3%
January 1, 2023	3%	3%	3%	3%
January 1, 2024	3%	3%	3%	3%
January 1, 2025	3%	3%	3%	3%

The utility rates utilized for the savings calculations are based on the annual escalation rates shown above and are as follows:

Current Utility Rate - Based on Escalation Rates from January 1, 2012					
Building No.	Building Name	Electricity (kW)	Electricity (kWh)	Fuel (MCF)	Water/Sewer (kgal)
1	MGW Airport	\$14.05765	\$0.04690	\$14.54126	\$4.17422
2	City Hall	\$14.05765	\$0.04690	\$13.77273	\$4.38184
3	Southside Fire Station	\$14.05765	\$0.04690	\$14.30670	\$4.62224
4	Maintenance Building	\$14.05765	\$0.04690	\$13.30614	\$4.14144
5	Public Safety Building	\$14.05765	\$0.04690	\$14.44983	\$4.62224
6	BOPARC Ice Rink	\$14.05765	\$0.04690	\$14.82190	\$4.28349
7	Public Safety Parking	\$14.05765	\$0.04690	-	-



Current Utility Rate - Based on Escalation Rates from January 1, 2012					
Building No.	Building Name	Electricity (kW)	Electricity (kWh)	Fuel (MCF)	Water/Sewer (kgal)
8	Parking Garage - Chestnut	\$14.05765	\$0.04690	-	-
9	Parking Garage - Wharf	\$14.05765	\$0.04690	-	-
10	Parking Garage - D Parking	-	\$0.11017	-	-
11	Signs and Signal Building	-	\$0.11017	-	-
12	Norwood Fire Station	-	\$0.11017	-	-
13	Metropolitan Theatre	-	\$0.11017	-	-
14	Garlow House	-	\$0.11017	-	-
15	City Library	\$14.05765	\$0.04690	-	-
16	City Wide - Traffic Signals	-	\$0.11017	-	-

Current Utility Rate - Based on contract escalation rates					
Building No.	Building Name	Electricity (kW)	Electricity (kWh)	Fuel (MCF)	Water/Sewer (kgal)
1	MGW Airport	\$14.05765	\$0.04690	\$14.54126	\$4.17422
2	City Hall	\$14.05765	\$0.04690	\$13.77273	\$4.38184
3	Southside Fire Station	\$14.05765	\$0.04690	\$14.30670	\$4.62224
4	Maintenance Building	\$14.05765	\$0.04690	\$13.30614	\$4.14144
5	Public Safety Building	\$14.05765	\$0.04690	\$14.44983	\$4.62224
6	BOPARC Ice Rink	\$14.05765	\$0.04690	\$14.82190	\$4.28349
7	Public Safety Parking	\$14.05765	\$0.04690	-	-
8	Parking Garage - Chestnut	\$14.05765	\$0.04690	-	-
9	Parking Garage - Wharf	\$14.05765	\$0.04690	-	-
10	Parking Garage - D Parking	-	\$0.11017	-	-
11	Signs and Signal Building	-	\$0.11017	-	-
12	Norwood Fire Station	-	\$0.11017	-	-
13	Metropolitan Theatre	-	\$0.11017	-	-
14	Garlow House	-	\$0.11017	-	-
15	City Library	\$14.05765	\$0.04690	-	-
16	City Wide - Traffic Signals	-	\$0.11017	-	-



Annual Savings Summary

The following table lists the achieved energy savings and energy cost savings resulting from each ECM in the measurement year. Annual Operations & Maintenance (O&M) savings, where applicable, are mutually agreed upon for the ECM in accordance with the Investment Grade Audit (IGA) Report and contract schedules. The achieved cost savings are a product of the utility unit savings and the unit prices for electricity, fuel, and water.

Energy Conservation Measures	Annual Achieved Savings				
	Electric Demand (kW)	Electric Energy (kWh)	Fuel Savings (MCF)	Water Savings (kgal)	Utility Cost Savings (\$)
Lighting Upgrade	2,793	1,474,529	-	-	\$119,747
Pipe Insulation	-	-	92	-	\$1,319
ATC Upgrades	-	242,425	2,570	19	\$47,863
VFD Air Handling	-	18,393	208	-	\$3,868
Boiler Upgrade	-	-	453	-	\$6,546
New Metal Roof	-	355	932	-	\$12,418
New Garage Panel Doors	-	-	216	-	\$2,790
Roustan Ice Plant	65	1,902	-	946	\$5,055
HHW Boiler and Fill Upgrade	-	-	225	-	\$3,335
HVAC Upgrade - Floor 1 South	-	-	480	-	\$6,980
Energy Savings Total =	2,858	1,737,604	5,176	965	\$209,921
				Year 2 O&M	\$21,763
				Project Total	\$231,684

Savings to Date

The following table illustrates the achieved cost savings to date relative to the guaranteed cost savings. Guaranteed cost savings were laid out in the IGA Report and contract schedules of the Guaranteed Energy Savings Agreement (GESA). Savings are measured and verified annually for the first five years after construction as per Schedule D, Exhibit-1 of the agreement.

YEAR	GUARANTEED SAVINGS	ACHIEVED SAVINGS
INSTALLATION WORK PERIOD	\$70,888	\$70,888
1	\$200,891	\$225,013
2	\$219,781	\$231,684
3	\$226,375	
4	\$233,167	
5	\$240,161	
6	\$247,366	
7	\$254,787	
8	\$262,431	
9	\$270,304	
10	\$278,413	
11	\$286,765	
12	\$295,368	
13	\$304,230	
14	\$313,356	
15	\$80,689	
Total =	\$3,784,972	\$527,585

MORGANTOWN CITY MANAGER'S HUNTER REQUIREMENTS AND RULES PERTAINING TO THE CITY OF MORGANTOWN'S URBAN DEER ARCHERY HUNT

September 7 - December 31, 2013

Hunter Requirements

1. Hunters must have a valid West Virginia hunting license.
2. Hunters must complete all parts of the hunt application.
3. Hunters must successfully complete the Bowhunter Education Course.
4. Hunters must successfully complete an archery proficiency test.

Rules

1. Hunters shall park only in designated parking areas.
2. Hunters shall treat everyone they meet with courtesy and respect.
3. Hunters shall not litter.
4. Hunters shall obey all West Virginia game laws.
5. Hunters will be selected and assigned locations by the City Manager or his designee. A completed application is not a guarantee that a hunter will be selected. The City Manager or his designee will attempt to assign all qualified hunters, but there may be more qualified applicants than hunting locations.
6. Locations for the hunt include (new locations will be presented to City Council prior to being added to the official map of parcels):
 - a. BoPARC:
 - i. Dorsey's Knob Park
 - ii. Krepps Park
 - iii. White Park
 - b. Chalfant Avenue properties (2)
 - c. Conrad Place/White Avenue adjacent properties (2)
 - d. Green Bag Road hillside
 - e. Harner Street
 - f. Koontz Avenue
 - g. Liberty Street
 - h. Norwood neighborhood (surrounding woodlots)
 - i. Southpoint Circle (4 parcels facing away from housing)
 - j. West Virginia Botanical Gardens

k. West Virginia University properties

- i. Core Arboretum
- ii. Dairy Farm
- iii. Farm woodlot
- iv. Falling Run hollow
- v. Motor Pool
- vi. Organic Farm

7. All hunters, prior to receiving a permit authorizing him or her to participate in the hunt, must agree to hold harmless the City of Morgantown, City of Morgantown employees and officials, and the owner of the realty upon which they will be hunting from any and all claims for personal injury, death, or property damage arising as a result of the hunter participating in the hunt.
8. No person, without first receiving written permission from the City Manager, may accompany a hunter while he or she is participating in this hunt.
9. Permits must be on a hunter at all times while hunting.
10. Portable or climbing stands are required for all hunters except for those who are physically disabled and have been issued a valid Class Y hunting license by the State of West Virginia or for sites where a ground blind has been approved.
11. Stalking deer on the ground is prohibited. This includes walking to and from designated hunting sites.
12. Those hunting from an elevated tree stands must use a full-body safety harness while in the tree.
13. The hunter's name and sequential numbers must be on all arrows used while hunting, i.e. J. Miller #1, J. Miller #2, J. Miller #3.
14. Shots of 25 yards or more shall not be taken.
15. A maximum of 7 deer can be taken by each hunter on their urban season tags (5 antlerless deer, 2 bucks). Additional deer can be taken on a hunter's regular West Virginia license providing they have the correct stamps for the corresponding seasons.
16. In pursuance of the City of Morgantown's deer management goals and the West Virginia DNR regulations, an antlerless deer is required to be taken first. After that, 2 bucks can be taken as long as the second buck is preceded by an antlerless harvest.
17. Two deer may be taken per day and they can be checked-in at the same time. While two does or a buck and a doe can be taken in the same day, two bucks cannot be taken in the same day.
18. If a wounded deer leaves the boundary of the designated hunting area, the hunter shall not pursue the deer onto another's realty without first obtaining the permission of the owner of the realty upon which the hunter wishes to enter. The hunter shall not fire his/her bow once he/she leaves the designated hunt area assigned to him or her. If the wounded deer is located, while alive, on another's property, the hunter must contact the Morgantown Police Department at (304) 284-7522. The hunter shall identify himself/herself as a participant in the Morgantown Urban Deer Archery Hunt, and request assistance from the Police Department in retrieving the deer.

19. If a property owner does not give the hunter permission to enter his or her property to search for a wounded deer, the hunter shall inform the property owner that he or she can call (304) 284-7522 to have the deer removed from his or her property.
20. Under no situation will entrails be left on any property. A carcass is to be removed in its entirety or have entrails placed in plastic bags, removed from the property and properly discarded. (Please provide your own bags for this purpose.)
21. All deer must be checked-in at the City's designated locations: the Morgantown Police Department's dispatcher window or Backwoods Taxidermy.
22. Hunters shall be required to comply with any additional restrictions set by the hunting realty owner which do not conflict with the City Manager's Rules, the Morgantown City Code, the general statutory laws of the State of West Virginia, and the Rules and Regulations of the West Virginia DNR.
23. At the request of an owner of realty upon which the hunt will be conducted, the City Manager may set specific timed periods of the day in which hunting will be allowed on a specific property.
24. Failure to comply with any of the above requirements may result in a hunter's removal from participating in the City of Morgantown's archery hunt.
25. Before being issued a permit to participate in the hunt, all selected hunters must agree in writing to the foregoing rules.



Jeff Mikorski, ICMA-CM
City Manager

7-11-13

Date

BOARDS AND COMMISSIONS - TERMS EXPIRED AND CURRENT VACANCIES

HUMAN RIGHTS COMMISSION:

Terms for Anna Marie Lofaso, Jan Derry and Warren Hager expired on June 30, 2013. All wish to continue to serve. Appt. by Council. Terms to be staggered.

LIBRARY BOARD:

Term for Robert Gallagher expires on July 30, 2013. Contact Sharon Turner to see if he wishes to continue to serve. Residents serve appointed by Mayor, confirmed by Council to serve at large.

MORGANTOWN UTILITY BOARD:

William Burton resigned (e-mail attached) on May 7, 2013 due to health reasons. City Clerk is advertising for applicants. Deadline for applicants was May 28, 2013. Council will interview candidates at a Special Meeting on July 16th, 2013. Residents to serve at large, two appointees citizens of Mon County, 3 residents of the City.

TRAFFIC COMMISSION:

Margaret Roberts First Ward representative wishes not to continue to serve. First Ward Councilor (Ron Bane) will check to see if there is a representative in their ward that is interested in serving. Wes Nugent Council Appt. Term expired June 30, 2013. New Council needs to decide who will serve on this commission. Residents appointed by Council, must represent specific categories.

URBAN LANDSCAPE COMMISSION:

Bill Mac Donald, Botanist term expired on 7-1-13. Chair is checking to see if he wishes to continue to serve. Julie Lattanzi, Fifth Ward appt. resigned and sixth ward app Annette Tanner term expired on 7-1-13. The Fifth Ward Councilor (Marti Shamberger) will find a replacement as for the Sixth Ward Councilor (Mike Fike) will find a replacement. Jenny Selin Appt. Term expired June 30, 2013. New Council needs to decide who will serve on this commission. Residents appointed by Council, must represent specific categories.

AD-HOC COMMITTEES:

Council also needs to appoint/re-appoint to:

Airport Advisory Committee (The Mayor) Metropolitan Planning Organization (Mayor and 2 Council members). Council needs to appoint the Mayor (non-voting member) and Councilor to serve on Sunnyside-Up Committee.

***POLICE & FIRE CIVIL SERVICE COMMISSIONS:** NEW PRESIDENTS APPOINTED IN JANUARY.

**Information for Boards and Commissions vacancies are placed in the Dominion Post, are advertised on the City's Government Station Channel 15, and are posted at the Library and also information is on the City's Web Page.*

**Council decided on 3-21-06 by unanimous consent that if there is only one candidate for Boards & Commissions, the City Clerk will check with Council before scheduling a Special Meeting.*

**BZA and Planning Commission term expirations are advertised in October and interviews must be completed by December per State Law.*

Boards and Commission interview structure will be reviewed at a Committee of the Whole.7/8/13

BOND ORDINANCE

THE CITY OF MORGANTOWN

**ASSUMPTION OF THE
SCOTTS RUN PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 1991 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY);
SEWER REVENUE BONDS, SERIES 1991 B
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY);
SEWER REVENUE BONDS, SERIES 2003 A
(WEST VIRGINIA SRF PROGRAM); AND
SEWER REVENUE BONDS, SERIES 2009 A
(WEST VIRGINIA SRF PROGRAM)**

AND

RE-DESIGNATED AND REPLACED AS

**THE CITY OF MORGANTOWN
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 B
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY);
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 C
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY);
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 D
(WEST VIRGINIA SRF PROGRAM); AND
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 E
(WEST VIRGINIA SRF PROGRAM)**

ORDINANCE AUTHORIZING THE ACQUISITION OF THE SEWER SYSTEM OF SCOTTS RUN PUBLIC SERVICE DISTRICT; AUTHORIZING THE ASSUMPTION AND REDESIGNATION OF THE SCOTTS RUN PUBLIC SERVICE DISTRICT'S SEWER REVENUE BONDS, SERIES 1991 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); SEWER REVENUE BONDS, SERIES 1991 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); SEWER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM); AND SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM) IN CONNECTION WITH THE ACQUISITION OF THE SEWER SYSTEM AND THE RE-DESIGNATION BY THE CITY OF MORGANTOWN OF THE SCOTTS RUN PUBLIC SERVICE DISTRICT SEWER REVENUE BONDS, SERIES 1991 A (WEST VIRGINIA WATER

DEVELOPMENT AUTHORITY); SEWER REVENUE BONDS, SERIES 1991 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); SEWER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM); AND SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM) AS THE CITY OF MORGANTOWN COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 D (WEST VIRGINIA SRF PROGRAM); AND COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 E (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ASSUMPTION AND RE-DESIGNATION OF SUCH BONDS; ASSUMING, APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT, BOND PURCHASE AGREEMENT AND ARRA ASSISTANCE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE ASSUMPTION AND RE-DESIGNATION AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 20, Chapter 22C, Article 1 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates, through the Morgantown Utility Board (the "Board"), a public combined waterworks, sewerage and stormwater system. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired from the Scotts Run Public Service District (the "District") the existing sewer system of the District (collectively, the "District Assets") from the District, which District

Assets constitute properties for the collection, transportation, treatment, purification, or disposal of liquid or solid wastes, residential sewage or industrial waste (the existing combined waterworks, sewerage and stormwater system of the Issuer, the District Assets and any further additions, betterments and improvements thereto are herein called the "System"), pursuant to an Acquisition Agreement by and among the Issuer, the Board and the District, which Acquisition Agreement shall be approved by Supplemental Resolution (the "Acquisition Agreement").

C. The District has heretofore financed the acquisition and construction of public sewerage facilities to provide sewer service to approximately 970 customers in Monongalia County, by the issuance of its (i) Sewer Revenue Bonds, Series 1991 A (West Virginia Water Development Authority), dated December 20, 1991, issued in the original aggregate principal amount of \$137,568; (ii) Sewer Revenue Bonds, Series 1991 B (West Virginia Water Development Authority), dated December 20, 1991, issued in the original aggregate principal amount of \$4,586; (iii) Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated November 25, 2003, issued in the original aggregate principal amount of \$8,111,813; and (iv) Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), dated December 18, 2009, issued in the original aggregate principal amount of \$1,688,394 (collectively, the "District Bonds").

D. The District Bonds were issued pursuant to Resolutions of the District previously enacted for such purpose (such resolutions, as amended and supplemented, are herein called the "District Resolutions").

E. It is deemed necessary and desirable for the Issuer to provide for the acquisition of the District Assets and the Assumption and Re-designation of the District Bonds.

F. The District permanently financed the acquisition of the District Assets through the issuance of the District Bonds to the West Virginia Water Development Authority (the "Authority").

G. It is deemed necessary for the Issuer to assume the District Bonds and Re-Designate them as: (i) "The City of Morgantown Combined Utility System Revenue Bonds, Series 2013 B (West Virginia Water Development Authority)"; (ii) "The City of Morgantown Combined Utility System Revenue Bonds, Series 2013 C (West Virginia Water Development Authority)"; (iii) "The City of Morgantown Combined Utility System Revenue Bonds, Series 2013 D (West Virginia SRF Program)"; and (iv) "The City of Morgantown Combined Utility System Revenue Bonds, Series 2013 E (West Virginia SRF Program)", (collectively, the "Series 2013 Bonds"), as consideration for acquisition of the District Assets.

H. The period of usefulness of the System is not less than 36 years.

I. It is in the best interests of the Issuer that the Series 2013 B Bonds and Series 2013 C Bonds continue to be held by the Authority pursuant to the terms and provisions of a Loan Agreement by and between the District and the Authority in form satisfactory to the respective parties (the "Loan Agreement"), which Loan Agreement shall be assumed by the

Issuer contemporaneously with the acquisition of the District Assets and assumption of the District Bonds, and which assumption is specifically approved hereby.

It is in the best interests of the Issuer that the Series 2013 D Bonds continue to be held by the Authority pursuant to the terms and provisions of a Bond Purchase Agreement dated November 6, 2003 by and among the District, the Authority and the DEP in form satisfactory to the respective parties (the "Bond Purchase Agreement"), which Bond Purchase Agreement shall be assumed by the Issuer contemporaneously with the acquisition of the District Assets and assumption of the District Bonds, and which assumption is specifically approved hereby.

It is in the best interests of the Issuer that the Series 2013 E Bonds continue to be held by the Authority pursuant to the terms and provisions of a ARRA Assistance Agreement dated December 18, 2009 by and among the District, the Authority and the DEP in form satisfactory to the respective parties (the "ARRA Assistance Agreement"), which ARRA Assistance Agreement shall be assumed by the Issuer contemporaneously with the acquisition of the District Assets and assumption of the District Bonds, and which assumption is specifically approved hereby.

J. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2013 Bonds as to liens, pledge, source of and security for payment, being the Issuer's:

- (1) Combined Utility System Revenue Bond, Series 1995 (West Virginia SRF Program), dated April 27, 1995, issued in the original aggregate principal amount of \$1,601,477 (the "Series 1995 Bonds");
- (2) Combined Utility System Revenue Bond, Series 2000 A (West Virginia SRF Program), dated February 29, 2000, issued in the original aggregate principal amount of \$7,842,000 (the "Series 2000 A Bonds");
- (3) Combined Utility System Revenue Bond, Series 2000 B (West Virginia Infrastructure Fund), dated February 29, 2000, issued in the original aggregate principal amount of \$2,488,000 (the "Series 2000 B Bonds");
- (4) Combined Utility System Revenue Bond, Series 2001 A (West Virginia Infrastructure Fund), dated February 8, 2001, issued in the original aggregate principal amount of \$3,812,470 (the "Series 2001 A Bonds");
- (5) Combined Utility System Revenue Bonds, Series 2006 A (West Virginia SRF Program), dated June 30, 2006, issued in the original aggregate principal amount of \$6,410,191 (the "Series 2006 A Bonds");

- (6) Combined Utility System Revenue Bond, Series 2007 A (West Virginia SRF Program), dated August 14, 2007, issued in the original aggregate principal amount of \$8,500,000 (the "Series 2007 A Bonds");
- (7) Combined Utility System Revenue Bonds, Series 2010 A (Direct Payment Build America Bonds), dated January 28, 2010, issued in the original aggregate principal amount of \$37,950,000 (the "Series 2010 A Bonds");
- (8) Combined Utility System Revenue Bond, Series 2010 B (West Virginia SRF Program/ARRA), dated January 28, 2010, issued in the original aggregate principal amount of \$81,600 (the "Series 2010 B Bonds");
- (9) Combined Utility System Revenue Bond, Series 2010 C (West Virginia SRF Program), dated January 28, 2010, issued in the original aggregate principal amount of \$15,380,227 (the "Series 2010 C Bonds");
- (10) Combined Utility System Revenue Bond, Series 2010 D (West Virginia DWTRF Program), dated January 28, 2010, issued in the original aggregate principal amount of \$9,317,286 (the "Series 2010 D Bonds");
- (11) Combined Utility System Revenue Bond, Series 2010 E (West Virginia DWTRF Program/ARRA), dated January 28, 2010, issued in the original aggregate principal amount of \$100,000 (the "Series 2010 E Bonds");
- (12) Combined Utility System Revenue Bonds, Series 2010 F (Bank Qualified), dated January 28, 2010, issued in the original aggregate amount of \$7,250,000 (the "Series 2010 F Bonds");
- (13) Combined Utility System Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), dated August 24, 2012, issued in the original aggregate principal amount of \$570,000 (the "Series 2012 A Bonds");
- (14) Combined Utility System Revenue Bonds, Series 2012 C (Bank Qualified), dated October 5, 2012, issued in the original aggregate principal amount of \$2,330,000 (the "Series 2012 C Bonds"); and
- (15) Combined Utility System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), to be assumed from Canyon Public Service District (collectively, the "Prior Bonds").

K. Prior to the assumption and re-designation of the District Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the

coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2012 A Bonds and Series 2013 A Bonds to the assumption and re-designation of the District Bonds on a parity with the Prior Bonds. The Series 2010 A Bonds, Series 2010 F Bonds and Series 2012 C Bonds do not require consent. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Ordinances.

L. The estimated revenues to be derived in each year after completion of the acquisition of the District Assets and assumption and re-designation of the District Bonds from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest on the Series 2013 Bonds and the Prior Bonds and to make payments into all funds and accounts and other payments provided for herein.

M. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement, the Bond Purchase Agreement, and the ARRA Assistance Agreement relating to authorization of the acquisition of the District Assets and the assumption and re-designation of the District Bonds, or will have so complied prior to the assumption and re-designation of the District Bonds or any thereof, including, among other things, the approval of the acquisition of the District Assets and the assumption and re-designation of the District Bonds by the Public Service Commission of West Virginia.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2013 Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2013 Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

“Act” means, collectively, Chapter 8, Article 20, Chapter 22C, Article 1 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"ARRA Assistance Agreement" means the ARRA Assistance Agreement dated December 18, 2009 by and among the District, the Authority and the DEP providing for the issuance of the District's Series 2009 A Bonds, in form satisfactory to the respective parties, which ARRA Assistance Agreement shall be assumed by the Issuer contemporaneously with the

acquisition of the District Assets and assumption of the District Bonds, and which assumption is specifically approved hereby.

“Authority” means the West Virginia Water Development Authority, which is the original purchaser and Registered Owner of the Series 2013 Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization under the Act.

“Authorized Officer” means the Mayor or the City Manager of the Issuer, and, in the instance of the Board, the Chairman, the General Manager or the Assistant General Manager, or any other officer of the Issuer or Board specifically designated by resolution of the Governing Body or the Board, as appropriate.

“Board” means the Morgantown Utility Board.

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

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

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

“Bonds” means, collectively, the Series 2013 Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

“Bond Purchase Agreement” means the Bond Purchase Agreement dated November 6, 2003 by and among the District, the Authority and the DEP providing for the District’s Series 2003 A Bonds, in form satisfactory to the respective parties, which Bond Purchase Agreement shall be assumed by the Issuer contemporaneously with the acquisition of the District Assets and assumption of the District Bonds, and which assumption is specifically approved hereby.

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

“City Clerk” means the City Clerk of the Issuer.

“City Manager” means the City Manager of the Issuer.

"Closing Date" means the date upon which the District Assets are transferred to the Issuer and the Series 2013 Bonds are assumed and re-designated by the Issuer.

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

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

"Consulting Engineers" means any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System, or portion thereof, in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions. "Consulting Engineer" shall also include a licensed professional engineer employed by the Board, who is responsible for design and/or supervision of improvements, additions or modifications to the System.

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

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

"Depreciation Fund" means the Depreciation Fund created by the Prior Ordinances and continued hereby.

"District" means the Scotts Run Public Service District.

"District Assets" means all assets of the District, including all property, real or personal, tangible or intangible, which is part of the sewerage collection and transportation system of the District.

"District Bonds" means the Scotts Run Public Service District's: (i) Sewer Revenue Bonds, Series 1991 A (West Virginia Water Development Authority), dated December 20, 1991, issued in the original aggregate principal amount of \$137,568; (ii) Sewer Revenue Bonds, Series 1991 B (West Virginia Water Development Authority), dated December 20, 1991, issued in the original aggregate principal amount of \$4,586; (iii) Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated November 25, 2003, issued in the original aggregate principal amount of \$8,111,813; and (iv) Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), dated December 18, 2009, issued in the original aggregate principal amount of \$1,688,394.

"District's Series 1991 A Bonds" means the Scotts Run Public Service District Sewer Revenue Bonds, Series 1991 A (West Virginia Water Development Authority), dated December 20, 1991, issued in the original aggregate principal amount of \$137,568.

"District's Series 1991 B Bonds" means Scotts Run Public Service District Sewer Revenue Bonds, Series 1991 B (West Virginia Water Development Authority), dated December 20, 1991, issued in the original aggregate principal amount of \$4,586.

"District's Series 2003 A Bonds" means the Scotts Run Public Service District Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated November 25, 2003, issued in the original aggregate principal amount of \$8,111,813.

"District's Series 2009 A Bonds" means Scotts Run Public Service District Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), dated December 18, 2009, issued in the original aggregate principal amount of \$1,688,394.

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

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

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

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

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

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

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

“Issuer” means The City of Morgantown, a municipal corporation and political subdivision of the State of West Virginia, in Monongalia County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

“Loan Agreement” means the Loan Agreement, heretofore entered into by and between the District and the Authority, providing for the purchase of the District's Series 1991 A Bonds and District's Series 1991 B Bonds from the District by the Authority, which Loan Agreement shall be assumed by the Issuer contemporaneously with the acquisition of the District Assets and the assumption of and re-designation of the District Bonds by the Issuer, the content of which is hereby approved (with any amendments or modifications required by the Authority as a result of the assumption of and re-designation of the District Bonds), and the assumption by the Issuer authorized and directed.

“Mayor” means the Mayor of the Issuer.

“Net Proceeds” means the face amount of the Series 2013 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Reserve Accounts.

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

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

“Operation and Maintenance Fund” means the Operation and Maintenance Fund established by the Prior Ordinances and continued hereby.

“Outstanding” when used with reference to Bonds or Prior Bonds and as of any particular date, describes all Bonds or Prior Bonds theretofore and thereupon being authenticated and delivered, except (i) any Bond or Prior Bond cancelled by the Bond Registrar or Registrar for Prior Bonds, at or prior to said date; (ii) any Bond or Prior Bonds, for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder, and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; (iv) any Prior Bond deemed to have been paid; and (v) for

purposes of consents or other action by a specified percentage of Bondholders, or holders of Prior Bonds, any Bonds or Prior Bonds registered to the Issuer.

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

“Paying Agent” means the Commission or other entity designated as such for the Series 2013 Bonds in the Supplemental Resolution.

“Prior Bonds” means, collectively, the Series 1995 Bonds, Series 2000 A Bonds, Series 2000 B Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2010 F Bonds, Series 2012 A Bonds, Series 2012 C Bonds and Series 2013 A Bonds.

“Prior Ordinances” means, collectively, the ordinances authorizing the Prior Bonds.

“Qualified Investments” means and includes any of the following:

- (a) Government Obligations;
- (b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;
- (c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;
- (d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;
- (e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations

pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

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

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

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

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

“Registrar” means the Bond Registrar.

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

“Reserve Accounts” means, collectively, the respective Reserve Accounts established for the Series 2013 Bonds and the Prior Bonds.

“Reserve Requirement” means, collectively, the respective amounts required to be on deposit in any Reserve Account for the Prior Bonds and the Series 2013 Bonds.

“Revenue Fund” means the Revenue Fund created by the Prior Ordinances and continued hereby.

“Series 1995 Bonds” means the Issuer’s Combined Utility System Revenue Bond, Series 1995 (West Virginia SRF Program), of the Issuer, dated April 27, 1995, issued in the original aggregate principal amount of \$1,601,477.

“Series 2000 A Bonds” means the Issuer’s Combined Utility System Revenue Bond, Series 2000 A (West Virginia SRF Program), of the Issuer, dated February 29, 2000, issued in the original aggregate principal amount of \$7,842,000.

“Series 2000 B Bonds” means the Issuer’s Combined Utility System Revenue Bond, Series 2000 B (West Virginia Infrastructure Fund), of the Issuer, dated February 29, 2000, issued in the original aggregate principal amount of \$2,488,000.

“Series 2001 A Bonds” means the Issuer’s Combined Utility System Revenue Bond, Series 2001 A (West Virginia Infrastructure Fund), of the Issuer, dated February 8, 2001, issued in the original aggregate principal amount of \$3,812,470.

“Series 2006 A Bonds” means the Issuer’s Combined Utility System Revenue Bonds, Series 2006 A (West Virginia SRF Program), of the Issuer, dated June 30, 2006, issued in the original aggregate principal amount of \$6,410,191.

“Series 2007 A Bonds” means the Issuer’s Combined Utility System Revenue Bond, Series 2007 A (West Virginia SRF Program), of the Issuer, dated August 14, 2007, issued in the original aggregate principal amount of \$8,500,000.

“Series 2010 A Bonds” means the Issuer’s Combined Utility System Revenue Bonds, Series 2010 A (Direct Payment Build America Bonds), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$37,950,000.

“Series 2010 B Bonds” means the Issuer’s Combined Utility System Revenue Bond, Series 2010 B (West Virginia SRF Program/ARRA), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$81,600.

“Series 2010 C Bonds” means the Issuer’s Combined Utility System Revenue Bond, Series 2010 C (West Virginia SRF Program), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$15,380,227.

“Series 2010 D Bonds” means the Issuer’s Combined Utility System Revenue Bond, Series 2010 D (West Virginia DWTRF Program), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$9,317,286.

"Series 2010 E Bonds" means the Issuer's Combined Utility System Revenue Bond, Series 2010 E (West Virginia DWTRF Program/ARRA), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$100,000.

"Series 2010 F Bonds" means the Issuer's Combined Utility System Revenue Bonds, Series 2010 F (Bank Qualified), of the Issuer, dated January 28, 2010, issued in the original aggregate principal amount of \$7,250,000.

"Series 2012 A Bonds" means the Issuer's Combined Utility System Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), dated August 24, 2012, issued in the original aggregate principal amount of \$570,000.

"Series 2012 C Bonds" means the Issuer's Combined Utility System Revenue Bonds, Series 2012 C (Bank Qualified), dated October 5, 2012, issued in the original aggregate principal amount of \$2,330,000.

"Series 2013 Bonds" means, collectively, the Series 2013 B Bonds, Series 2013 C Bonds, Series 2013 D Bonds and Series 2013 E Bonds.

"Series 2013 A Bonds" means the Issuer's Combined Utility System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), to be issued with the acquisition of the Canyon Public Service District.

"Series 2013 B Bonds" means the Issuer's Combined Utility System Revenue Bonds, Series 2013 B (West Virginia Water Development Authority), of the Issuer, authorized by this Bond Legislation.

"Series 2013 B Bonds Reserve Account" means the District's Series 1991 A Bonds Reserve Account which is authorized to be assumed and re-designated by the Issuer as Series 2013 B Bonds Reserve Account pursuant to Section 5.02 hereof.

"Series 2013 B Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2013 B Bonds in the then current or any succeeding year.

"Series 2013 B Bonds Sinking Fund" means the District's Series 1991 A Bonds Sinking Fund which is authorized to be assumed and re-designated by the Issuer as Series 2013 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2013 C Bonds" means the Issuer's Combined Utility System Revenue Bonds, Series 2013 C (West Virginia Water Development Authority), of the Issuer, authorized by this Bond Legislation.

“Series 2013 C Bonds Reserve Account” means the District’s Series 1991 B Bonds Reserve Account which is authorized to be assumed and re-designated by the Issuer as Series 2013 C Bonds Reserve Account pursuant to Section 5.02 hereof.

“Series 2013 C Bonds Reserve Requirement” means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2013 C Bonds in the then current or any succeeding year.

“Series 2013 C Bonds Sinking Fund” means the District’s Series 1991 B Bonds Sinking Fund which is authorized to be assumed and re-designated by the Issuer as Series 2013 C Bonds Sinking Fund pursuant to Section 5.02 hereof.

“Series 2013 D Bonds” means the Issuer’s Combined Utility System Revenue Bonds, Series 2013 D (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.

“Series 2013 D Bonds Reserve Account” means the District’s Series 2003 A Bonds Reserve Account which is authorized to be assumed and re-designated by the Issuer as Series 2013 D Bonds Reserve Account pursuant to Section 5.02 hereof.

“Series 2013 D Bonds Reserve Requirement” means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2013 D Bonds in the then current or any succeeding year.

“Series 2013 D Bonds Sinking Fund” means the District’s Series 2003 A Bonds Sinking Fund which is authorized to be assumed and re-designated by the Issuer as Series 2013 D Bonds Sinking Fund pursuant to Section 5.02 hereof.

“Series 2013 E Bonds” means the Issuer’s Combined Utility System Revenue Bonds, Series 2013 E (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.

“Series 2013 E Bonds Reserve Account” means the District’s Series 2009 A Bonds Reserve Account which is authorized to be assumed and re-designated by the Issuer as Series 2013 E Bonds Reserve Account pursuant to Section 5.02 hereof.

“Series 2013 E Bonds Reserve Requirement” means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2013 E Bonds in the then current or any succeeding year.

“Series 2013 E Bonds Sinking Fund” means the District’s Series 2009 A Bonds Sinking Fund which is authorized to be assumed and re-designated by the Issuer as Series 2013 E Bonds Sinking Fund pursuant to Section 5.02 hereof.

“Sinking Funds” means, collectively, the respective Sinking Funds established for the Series 2013 Bonds and the Prior Bonds.

“SRF Administrative Fee” means any administrative fee required to be paid pursuant to the Bond Purchase Agreement and the ARRA Assistance Agreement.

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

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

“State” means the State of West Virginia.

“Supplemental Resolution” means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article “the,” refers specifically to the supplemental resolution authorizing the sale of the Series 2013 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2013 Bonds, and not so included may be included in another Supplemental Resolution.

“Surplus Revenues” means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2013 Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Depreciation Fund, the Sinking Funds and the Reserve Accounts.

“System” means, collectively, the complete existing public combined waterworks, sewerage, and stormwater system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the District Assets and any additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever, both within and without the Issuer.

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

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

ARTICLE II

**AUTHORIZATION OF ACQUISITION OF THE DISTRICT ASSETS AND THE
ASSUMPTION AND RE-DESIGNATION OF THE DISTRICT BONDS**

Section 2.01. Authorization of Acquisition of the District Assets. There is hereby authorized and ordered the acquisition of the District Assets pursuant to the terms of an Acquisition Agreement by and between the Issuer and the District.

Section 2.02. Authorization of Assumption and Re-designation of the District Bonds. There is hereby authorized and ordered the assumption by the Issuer in full of the entire Outstanding principal of and the interest on the District Bonds on the Closing Date.

The Issuer also authorizes the re-designation of the District Bonds as (i) "The City of Morgantown Combined Utility System Revenue Bonds, Series 2013 B (West Virginia Water Development Authority)"; (ii) "The City of Morgantown Combined Utility System Revenue Bonds, Series 2013 C (West Virginia Water Development Authority)"; (iii) "The City of Morgantown Combined Utility System Revenue Bonds, Series 2013 D (West Virginia SRF Program)"; and (iv) "The City of Morgantown Combined Utility System Revenue Bonds, Series 2013 E (West Virginia SRF Program)".

ARTICLE III

**AUTHORIZATION, TERMS, EXECUTION, REGISTRATION
AND ASSUMPTION OF DISTRICT BONDS; ASSUMPTION OF
LOAN AGREEMENT, BOND PURCHASE AGREEMENT AND ARRA
ASSISTANCE AGREEMENT**

Section 3.01. Authorization of Assumption of District Bonds. For the purposes of serving as consideration for the acquisition of the District Assets, the Issuer hereby authorizes the assumption of the indebtedness evidenced by the District Bonds, and the substitution of a new bond of the Issuer for each the District Bonds.

The District Bonds shall be assumed as four series of bonds and re-designated as (i) "The City of Morgantown Combined Utility System Revenue Bonds, Series 2013 B (West Virginia Water Development Authority)"; (ii) "The City of Morgantown Combined Utility System Revenue Bonds, Series 2013 C (West Virginia Water Development Authority)"; (iii) "The City of Morgantown Combined Utility System Revenue Bonds, Series 2013 D (West Virginia SRF Program)"; and (iv) "The City of Morgantown Combined Utility System Revenue Bonds, Series 2013 E (West Virginia SRF Program)" and shall have such terms as set forth hereinafter and in the Supplemental Resolution.

Section 3.02. Terms of Bonds. The Series 2013 Bonds shall be assumed in such principal amounts; shall bear interest at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and

shall be redeemable, in whole or in part, all as exists on the Closing Date and as the Issuer shall prescribe in a Supplemental Resolution. The Series 2013 Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2013 Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

As provided by the Supplemental Resolution, the Series 2013 Bonds shall initially be four series, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2013 Bonds. The Series 2013 Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Section 3.03. Execution of Bonds. The Series 2013 Bonds shall be executed in the name of the Issuer by the Mayor and the City Manager, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2013 Bonds shall cease to be such officer of the Issuer before the Series 2013 Bonds so signed and sealed have been actually assumed, redesignated and delivered, such Bonds may nevertheless be assumed, redesignated and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2013 Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2013 Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2013 Bonds shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2013 Bonds shall be and have all of the

qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2013 Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2013 Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2013 Bonds shall be transferable only upon the books of the Bond Registrar, by the Registered Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or his duly authorized attorney.

In all cases in which the privilege of exchanging the Series 2013 Bonds or transferring the registered Series 2013 Bonds are exercised, all Series 2013 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2013 Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Series 2013 Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2013 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2013 Bonds or, in the case of any proposed redemption of Series 2013 Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2013 Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2013 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the System as herein provided. No Holder or Holders of the Series 2013 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2013 Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues; Lien Position with respect to Prior Bonds. The payment of debt service of the Series 2013 Bonds shall be secured by a first lien on the Gross Revenues derived from the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. Such Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2013 Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation and Prior Ordinances are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver as substitute for the District Bonds, the Series 2013 Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2013 Bonds to the original purchasers upon receipt of the documents set forth below:

- A. If other than the Authority, a list of the names in which the Series 2013 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;
- B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2013 Bonds to the original purchasers;
- C. An executed and certified copy of the Bond Legislation;
- D. Executed copies of the Loan Agreement, the Bond Purchase Agreement and the ARRA Assistance Agreement; and
- E. The unqualified approving opinions of bond counsel on the Series 2013 Bonds.

Section 3.10. Form of Bonds. The text of the Series 2013 Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the assumption and re-designation thereof:

[Remainder of Page Intentionally Blank]

(FORM OF SERIES 2013 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 B
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

Replacement Bond
for
Scotts Run Public Service District
Sewer Revenue Bonds, Series 1991 A
(West Virginia Water Development Authority)

No. BR-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That on this the _____ day of _____, 2013, THE CITY OF MORGANTOWN, a municipal corporation and political subdivision of the State of West Virginia in Monongalia County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS (\$_____) in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, ___ to and including _____ 1, 2031 as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said EXHIBIT A. The interest of 7.75% per annum on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, ___, to and including _____ 1, 2031 as set forth on EXHIBIT A attached hereto.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the Registered Owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Scotts Run Public Service District (the "District") and the Authority, dated _____, 1991, and assumed by the Issuer on _____, 2013.

This Bond has been assumed from the District by the Issuer in consideration for the acquisition of the assets of the District comprising the District's sewerage collection and transportation system (the "District Assets") from the District. The existing public combined waterworks, sewerage, and stormwater system of the Issuer, the District Assets, and any further extensions, additions, betterments or improvements thereto are herein called the "System." The Issuer has re-designated the District Bonds as "The City of Morgantown Combined Utility System Revenue Bonds, Series 2013 B (West Virginia Water Development Authority)". This Bond is assumed and re-designated under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2013, and a Supplemental Resolution duly adopted by the Issuer on _____, 2013 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ASSUMED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

(1) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 1995 (WEST VIRGINIA SRF PROGRAM), DATED APRIL 27, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,601,477 (THE "SERIES 1995 BONDS");

(2) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,842,000 (THE "SERIES 2000 A BONDS");

(3) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2000 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,488,000 (THE "SERIES 2000 B BONDS");

(4) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 8, 2001, ISSUED IN

THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,812,470 (THE "SERIES 2001 A BONDS");

(5) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 30, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$6,410,191 (THE "SERIES 2006 A BONDS");

(6) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2007 A (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 14, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,500,000 (THE "SERIES 2007 A BONDS");

(7) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$37,950,000 (THE "SERIES 2010 A BONDS");

(8) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM/ARRA), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$81,600 (THE "SERIES 2010 B BONDS");

(9) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$15,380,227 (THE "SERIES 2010 C BONDS");

(10) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2010 D (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,317,286 (THE "SERIES 2010 D BONDS");

(11) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2010 E (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$100,000 (THE "SERIES 2010 E BONDS");

(12) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF \$7,250,000 (THE "SERIES 2010 F BONDS");

(13) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$570,000 (THE "SERIES 2012 A BONDS");

(14) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 C (BANK QUALIFIED), DATED OCTOBER 5, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,330,000 (THE "SERIES 2012 C BONDS");

(15) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2013 A BONDS"), (COLLECTIVELY, THE "PRIOR BONDS");

(16) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED _____, 2013, ISSUED SIMULTANEOUSLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2013 C BONDS");

(17) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 D (WEST VIRGINIA SRF PROGRAM), DATED _____, 2013, ISSUED SIMULTANEOUSLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2013 D BONDS"); AND

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 E (WEST VIRGINIA SRF PROGRAM), DATED _____, 2013, ISSUED SIMULTANEOUSLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2013 E BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Series 2013 C Bonds, Series 2013 D Bonds, Series 2013 E Bonds and the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2013 B Bonds Reserve Account"). Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2013 B Bonds Reserve Account and unexpended proceeds of the Bonds, if any. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 2013 C Bonds, Series 2013 D Bonds, Series 2013 E Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2013 B Bonds Reserve

Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2013 C Bonds, Series 2013 D Bonds, Series 2013 E Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

By: _____
Mayor

By: _____
City Manager

ATTEST:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2013 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2013.

THE HUNTINGTON NATIONAL BANK,
as Registrar

By: _____
Its: Authorized Officer

EXHIBIT A

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

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

Dated: _____, 20 ____.

In the presence of:

(FORM OF SERIES 2013 C BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 C
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

Replacement Bond
for
Scotts Run Public Service District
Sewer Revenue Bonds, Series 1991 B
(West Virginia Water Development Authority)

No. CR-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That on this the _____ day of _____, 2013, THE CITY OF MORGANTOWN, a municipal corporation and political subdivision of the State of West Virginia in Monongalia County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____) in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20__ to and including _____ 1, 2031 as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Scotts Run Public Service District (the "District") and the Authority, dated _____, 1991, and assumed by the Issuer on _____, 2013.

This Bond has been assumed from the District by the Issuer in consideration for the acquisition of the assets of the District comprising the District's sewerage collection and transportation system (the "District Assets") from the District. The existing public combined

waterworks, sewerage, and stormwater system of the Issuer, the District Assets, and any further extensions, additions, betterments or improvements thereto are herein called the "System." The Issuer has re-designated the District Bonds as "The City of Morgantown Combined Utility System Revenue Bonds, Series 2013 C (West Virginia Water Development Authority)." This Bond is assumed and re-designated under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2013, and a Supplemental Resolution duly adopted by the Issuer on _____, 2013 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ASSUMED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

(1) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 1995 (WEST VIRGINIA SRF PROGRAM), DATED APRIL 27, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,601,477 (THE "SERIES 1995 BONDS");

(2) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,842,000 (THE "SERIES 2000 A BONDS");

(3) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2000 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,488,000 (THE "SERIES 2000 B BONDS");

(4) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 8, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,812,470 (THE "SERIES 2001 A BONDS");

(5) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 30, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$6,410,191 (THE "SERIES 2006 A BONDS");

(6) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2007 A (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 14, 2007, ISSUED IN THE

ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,500,000 (THE "SERIES 2007 A BONDS");

(7) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$37,950,000 (THE "SERIES 2010 A BONDS");

(8) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM/ARRA), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$81,600 (THE "SERIES 2010 B BONDS");

(9) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$15,380,227 (THE "SERIES 2010 C BONDS");

(10) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2010 D (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,317,286 (THE "SERIES 2010 D BONDS");

(11) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2010 E (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$100,000 (THE "SERIES 2010 E BONDS");

(12) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF \$7,250,000 (THE "SERIES 2010 F BONDS");

(13) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$570,000 (THE "SERIES 2012 A BONDS");

(14) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 C (BANK QUALIFIED), DATED OCTOBER 5, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,330,000 (THE "SERIES 2012 C BONDS");

(15) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2013 A BONDS"), (COLLECTIVELY, THE "PRIOR BONDS");

(16) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED _____, 2013, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2013 B BONDS");

(17) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 D (WEST VIRGINIA SRF PROGRAM), DATED _____, 2013, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2013 D BONDS"); AND

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 E (WEST VIRGINIA SRF PROGRAM), DATED _____, 2013, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2013 E BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Series 2013 B Bonds, Series 2013 D Bonds, Series 2013 E Bonds and the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2013 C Bonds Reserve Account"). Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2013 C Bonds Reserve Account and unexpended proceeds of the Bonds, if any. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 2013 B Bonds, Series 2013 D Bonds, Series 2013 E Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2013 C Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2013 B Bonds, Series 2013 D Bonds, Series 2013 E Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

By: _____
Mayor

By: _____
City Manager

ATTEST:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2013 C Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2013.

THE HUNTINGTON NATIONAL BANK,
as Registrar

By: _____
Its: Authorized Officer

EXHIBIT A

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

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

Dated: _____, 20 ____.

In the presence of:

(FORM OF SERIES 2013 D BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 D
(WEST VIRGINIA SRF PROGRAM)

Replacement Bond
for
Scotts Run Public Service District
Sewer Revenue Bonds, Series 2003 A
(West Virginia SRF Program)

No. DR-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That on this the _____ day of _____, 2013, THE CITY OF MORGANTOWN, a municipal corporation and political subdivision of the State of West Virginia in Monongalia County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____) in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20__ to and including September 1, 2043 as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference. The SRF Administrative Fee of 0.5% (as defined in the hereinafter defined Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year as set forth on EXHIBIT A attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Scotts Run Public Service District (the "District"), the Authority and the West Virginia Department of Environmental Protection, dated November 6, 2003, and assumed by the Issuer on _____, 2013.

This Bond has been assumed from the District by the Issuer in consideration for the acquisition of the assets of the District comprising the District's sewerage collection and transportation system (the "District Assets") from the District. The existing public combined waterworks, sewerage, and stormwater system of the Issuer, the District Assets, and any further extensions, additions, betterments or improvements thereto are herein called the "System." The Issuer has re-designated the District Bonds as "The City of Morgantown Combined Utility System Revenue Bonds, Series 2013 D (West Virginia SRF Program)". This Bond is assumed and re-designated under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2013, and a Supplemental Resolution duly adopted by the Issuer on _____, 2013 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ASSUMED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

(1) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 1995 (WEST VIRGINIA SRF PROGRAM), DATED APRIL 27, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,601,477 (THE "SERIES 1995 BONDS");

(2) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,842,000 (THE "SERIES 2000 A BONDS");

(3) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2000 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,488,000 (THE "SERIES 2000 B BONDS");

(4) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 8, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,812,470 (THE "SERIES 2001 A BONDS");

(5) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 30, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$6,410,191 (THE "SERIES 2006 A BONDS");

(6) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2007 A (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 14, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,500,000 (THE "SERIES 2007 A BONDS");

(7) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$37,950,000 (THE "SERIES 2010 A BONDS");

(8) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM/ARRA), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$81,600 (THE "SERIES 2010 B BONDS");

(9) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$15,380,227 (THE "SERIES 2010 C BONDS");

(10) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2010 D (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,317,286 (THE "SERIES 2010 D BONDS");

(11) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2010 E (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$100,000 (THE "SERIES 2010 E BONDS");

(12) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF \$7,250,000 (THE "SERIES 2010 F BONDS");

(13) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$570,000 (THE "SERIES 2012 A BONDS");

(14) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 C (BANK QUALIFIED), DATED OCTOBER 5, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,330,000 (THE "SERIES 2012 C BONDS");

(15) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2013 A BONDS"), (COLLECTIVELY, THE "PRIOR BONDS");

(16) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED _____, 2013, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2013 B BONDS");

(17) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED _____, 2013, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2013 C BONDS"); AND

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 E (WEST VIRGINIA SRF PROGRAM), DATED _____, 2013, ISSUED SIMULTANEOUSLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2013 E BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Series 2013 B Bonds, Series 2013 C Bonds, Series 2013 E Bonds and the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2013 D Bonds Reserve Account"). Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2013 D Bonds Reserve Account and unexpended proceeds of the Bonds, if any. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 2013 B Bonds, Series 2013 C Bonds, Series 2013 E Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2013 D Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2013 B Bonds, Series 2013 C Bonds, Series 2013 E Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to

110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

By: _____
Mayor

By: _____
City Manager

ATTEST:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2013 D Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2013.

THE HUNTINGTON NATIONAL BANK,
as Registrar

By: _____
Its: Authorized Officer

EXHIBIT A
DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

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

Dated: _____, 20____.

In the presence of:

(FORM OF SERIES 2013 E BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF MORGANTOWN
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 E
(WEST VIRGINIA SRF PROGRAM)

Replacement Bond
for
Scotts Run Public Service District
Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program)

No. ER-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That on this the _____ day of _____, 2013, THE CITY OF MORGANTOWN, a municipal corporation and political subdivision of the State of West Virginia in Monongalia County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____) in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20__ to and including December 1, 2049 as set forth on the "Debt Service Schedule" attached as EXHIBIT A hereto and incorporated herein by reference. The SRF Administrative Fee of 0.25% (as defined in the hereinafter defined Bond Legislation) shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year as set forth on EXHIBIT A attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and upon the terms and conditions prescribed by, and otherwise in compliance with, the ARRA Assistance Agreement by and among the Scotts Run Public Service District (the "District"), the Authority and the West Virginia Department of Environmental Protection, dated December 18, 2009, and assumed by the Issuer on _____, 2013.

This Bond has been assumed from the District by the Issuer in consideration for the acquisition of the assets of the District comprising the District's sewerage collection and transportation system (the "District Assets") from the District. The existing public combined waterworks, sewerage, and stormwater system of the Issuer, the District Assets, and any further extensions, additions, betterments or improvements thereto are herein called the "System." The Issuer has re-designated the District Bonds as "The City of Morgantown Combined Utility System Revenue Bonds, Series 2013 E (West Virginia SRF Program)". This Bond is assumed and re-designated under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2013, and a Supplemental Resolution duly adopted by the Issuer on _____, 2013 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ASSUMED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

(1) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 1995 (WEST VIRGINIA SRF PROGRAM), DATED APRIL 27, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,601,477 (THE "SERIES 1995 BONDS");

(2) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,842,000 (THE "SERIES 2000 A BONDS");

(3) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2000 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 29, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,488,000 (THE "SERIES 2000 B BONDS");

(4) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 8, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,812,470 (THE "SERIES 2001 A BONDS");

(5) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 30, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$6,410,191 (THE "SERIES 2006 A BONDS");

(6) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2007 A (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 14, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,500,000 (THE "SERIES 2007 A BONDS");

(7) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 A (DIRECT PAYMENT BUILD AMERICA BONDS), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$37,950,000 (THE "SERIES 2010 A BONDS");

(8) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM/ARRA), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$81,600 (THE "SERIES 2010 B BONDS");

(9) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$15,380,227 (THE "SERIES 2010 C BONDS");

(10) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2010 D (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,317,286 (THE "SERIES 2010 D BONDS");

(11) COMBINED UTILITY SYSTEM REVENUE BOND, SERIES 2010 E (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$100,000 (THE "SERIES 2010 E BONDS");

(12) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010 F (BANK QUALIFIED), DATED JANUARY 28, 2010, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF \$7,250,000 (THE "SERIES 2010 F BONDS");

(13) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$570,000 (THE "SERIES 2012 A BONDS");

(14) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2012 C (BANK QUALIFIED), DATED OCTOBER 5, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,330,000 (THE "SERIES 2012 C BONDS");

(15) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2013 A BONDS"), (COLLECTIVELY, THE "PRIOR BONDS");

(16) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED _____, 2013, ISSUED SIMULTANEOUSLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2013 B BONDS");

(17) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED _____, 2013, ISSUED SIMULTANEOUSLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2013 C BONDS"); AND

(18) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 D (WEST VIRGINIA SRF PROGRAM), DATED _____, 2013, ISSUED SIMULTANEOUSLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2013 D BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Series 2013 B Bonds, Series 2013 C Bonds, Series 2013 D Bonds and the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2013 E Bonds Reserve Account"). Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2013 E Bonds Reserve Account and unexpended proceeds of the Bonds, if any. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 2013 B Bonds, Series 2013 C Bonds, Series 2013 D Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2013 E Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2013 B Bonds, Series 2013 C Bonds, Series 2013 D Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to

110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

By: _____
Mayor

By: _____
City Manager

ATTEST:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2013 E Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2013.

THE HUNTINGTON NATIONAL BANK,
as Registrar

By: _____
Its: Authorized Officer

EXHIBIT A
DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

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

Dated: _____, 20____.

In the presence of:

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement, the Bond Purchase Agreement and the ARRA Assistance Agreement. The District Bonds were sold to the Authority, pursuant to the terms and conditions of the Loan Agreement, the Bond Purchase Agreement and the ARRA Assistance Agreement. The Loan Agreement, the Bond Purchase Agreement and the ARRA Assistance Agreement, including all schedules and exhibits attached thereto, and as assumed by the Issuer are hereby approved and incorporated into this Bond Legislation.

Section 3.12. Reserved.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

- (1) Revenue Fund (established by the Prior Ordinances);
- (2) Depreciation Fund (established by the Prior Ordinances); and
- (3) Operation and Maintenance Fund (established by the Prior Ordinances).

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

- (1) Series 1995 Bonds Sinking Fund (established by Prior Ordinances);
- (2) Series 1995 Bonds Reserve Account (established by Prior Ordinances);
- (3) Series 2000 A Bonds Sinking Fund (established by Prior Ordinances);

- (4) Series 2000 A Bonds Reserve Account (established by Prior Ordinances);
- (5) Series 2000 B Bonds Sinking Fund (established by Prior Ordinances);
- (6) Series 2000 B Bonds Reserve Account (established by Prior Ordinances);
- (7) Series 2001 A Bonds Sinking Fund (established by Prior Ordinances);
- (8) Series 2001 A Bonds Reserve Account (established by Prior Ordinances);
- (9) Series 2006 A Bonds Sinking Fund (established by Prior Ordinances);
- (10) Series 2006 A Bonds Reserve Account (established by Prior Ordinances);
- (11) Series 2007 A Bonds Sinking Fund (established by Prior Ordinances);
- (12) Series 2007 A Bonds Reserve Account established by Prior Ordinances);
- (13) Series 2010 A Bonds Sinking Fund (established by Prior Ordinances);
- (14) Series 2010 A Bonds Reserve Account (established by Prior Ordinances);
- (15) Series 2010 C Bonds Sinking Fund (established by Prior Ordinances);
- (16) Series 2010 C Bonds Reserve Account (established by Prior Ordinances);
- (17) Series 2010 D Bonds Sinking Fund (established by Prior Ordinances);
- (18) Series 2010 D Bonds Reserve Account (established by Prior Ordinances);

- (19) Series 2010 E Bonds Sinking Fund (established by Prior Ordinances);
- (20) Series 2010 E Bonds Reserve Account (established by Prior Ordinances);
- (21) Series 2010 F Bonds Sinking Fund (established by Prior Ordinances);
- (22) Series 2010 F Bonds Reserve Account (established by Prior Ordinances);
- (23) Series 2012 A Bonds Sinking Fund (established by Prior Ordinances);
- (24) Series 2012 A Bonds Reserve Account (established by Prior Ordinances);
- (25) Series 2012 C Bonds Sinking Fund (established by Prior Ordinances);
- (26) Series 2012 C Bonds Reserve Account (established by Prior Ordinances);
- (27) Series 2013 A Bonds Sinking Fund (established by Prior Ordinances);
- (28) Series 2013 A Bonds Reserve Account (established by Prior Ordinances);
- (29) Series 2013 B Bonds Sinking Fund;
- (30) Series 2013 B Bonds Reserve Account;
- (31) Series 2013 C Bonds Sinking Fund;
- (32) Series 2013 C Bonds Reserve Account;
- (33) Series 2013 D Bonds Sinking Fund;
- (34) Series 2013 D Bonds Reserve Account;
- (35) Series 2013 E Bonds Sinking Fund; and
- (36) Series 2013 E Bonds Reserve Account

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

(1) The Issuer shall first, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the amounts required by the respective Prior Ordinances to pay interest on the Series 1995 Bonds, Series 2001 A Bonds, Series 2006 A Bonds, Series 2007 A Bonds, Series 2010 A Bonds, Series 2010 C Bonds, Series 2010 D Bonds, Series 2010 E Bonds, Series 2010 F Bonds, Series 2012 A Bonds and Series 2012 C Bonds; and (ii) for deposit in the Series 2013 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 2013 B Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2013 B Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the respective Sinking Funds for the Prior Bonds, the amounts required by the respective Prior Ordinances to pay the principal of the Prior Bonds; (ii) for deposit in the Series 2013 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2013 B Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2013 B Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; (iii) for deposit in the Series 2013 C Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2013 C Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the

Series 2013 C Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; (iv) for deposit in the Series 2013 D Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2013 D Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2013 D Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; and (v) for deposit in the Series 2013 E Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2013 E Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2013 E Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the respective Reserve Accounts for the Prior Bonds, the amounts required by the respective Prior Ordinances to be deposited therein; (ii) for deposit in the Series 2013 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2013 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2013 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2013 B Bonds Reserve Requirement; (iii) for deposit in the Series 2013 C Bonds Reserve Account, an amount equal to 1/120th of the Series 2013 C Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2013 C Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2013 C Bonds Reserve Requirement; (iv) for deposit in the Series 2013 D Bonds Reserve Account, an amount equal to 1/120th of the Series 2013 D Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2013 D Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series

2013 D Bonds Reserve Requirement; and (v) for deposit in the Series 2013 E Bonds Reserve Account, an amount equal to 1/120th of the Series 2013 E Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2013 E Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2013 E Bonds Reserve Requirement.

(4) The Issuer shall next, each month, transfer from the Revenue Fund and deposit in the Operation and Maintenance Fund, an amount sufficient to pay the current Operating Expenses of the System.

(5) The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month transfer to the Depreciation Fund, an amount equal to 2 ½% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Depreciation Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Depreciation Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Reserve Accounts (except to the extent such deficiency exists because the required payments into such accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with moneys from the Depreciation Fund.

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

Moneys in the Series 2013 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2013 B Bonds, as the same shall become due. Moneys in the Series 2013 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2013 B Bonds, as the same shall come due, when other moneys in the Series 2013 B Bonds Sinking Fund are insufficient therefor, and for no other purpose.

Moneys in the Series 2013 C Bonds Sinking Fund shall be used only for the purposes of paying principal of the Series 2013 C Bonds, as the same shall become due. Moneys in the Series 2013 C Bonds Reserve Account shall be used only for the purpose of paying principal of the Series 2013 C Bonds, as the same shall come due, when other moneys in the Series 2013 C Bonds Sinking Fund are insufficient therefor, and for no other purpose.

Moneys in the Series 2013 D Bonds Sinking Fund shall be used only for the purposes of paying principal of the Series 2013 D Bonds, as the same shall become due. Moneys in the Series 2013 D Bonds Reserve Account shall be used only for the purpose of paying principal of the Series 2013 D Bonds, as the same shall come due, when other moneys in the Series 2013 D Bonds Sinking Fund are insufficient therefor, and for no other purpose.

Moneys in the Series 2013 E Bonds Sinking Fund shall be used only for the purposes of paying principal of the Series 2013 E Bonds, as the same shall become due. Moneys in the Series 2013 E Bonds Reserve Account shall be used only for the purpose of paying principal of the Series 2013 E Bonds, as the same shall come due, when other moneys in the Series 2013 E Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2013 B Bonds Sinking Fund and the Series 2013 B Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2013 B Bonds, and then to the next ensuing principal payment due thereon.

All investment earnings on moneys in the Series 2013 C Bonds Sinking Fund and the Series 2013 C Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2013 C Bonds, and then to the next ensuing principal payment due thereon.

All investment earnings on moneys in the Series 2013 D Bonds Sinking Fund and the Series 2013 D Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2013 D Bonds, and then to the next ensuing principal payment due thereon.

All investment earnings on moneys in the Series 2013 E Bonds Sinking Fund and the Series 2013 E Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2013 E Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2013 B Bonds Reserve Account which results in a reduction in the balance therein to below the Series 2013 B Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the order set forth above.

Any withdrawals from the Series 2013 C Bonds Reserve Account which results in a reduction in the balance therein to below the Series 2013 C Bonds Reserve Requirement shall

be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the order set forth above.

Any withdrawals from the Series 2013 D Bonds Reserve Account which results in a reduction in the balance therein to below the Series 2013 D Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the order set forth above.

Any withdrawals from the Series 2013 E Bonds Reserve Account which results in a reduction in the balance therein to below the Series 2013 E Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2013 Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2013 B Bonds Sinking Fund or the Series 2013 B Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2013 B Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

The Issuer shall not be required to make any further payments into the Series 2013 C Bonds Sinking Fund or the Series 2013 C Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2013 C Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

The Issuer shall not be required to make any further payments into the Series 2013 D Bonds Sinking Fund or the Series 2013 D Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2013 D Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

The Issuer shall not be required to make any further payments into the Series 2013 E Bonds Sinking Fund or the Series 2013 E Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2013 E Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Interest, principal or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2013 Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2013 B Bonds Sinking Fund, Series 2013 B Bonds Reserve Account, Series 2013 C Bonds Sinking Fund, Series 2013 C Bonds Reserve Account, Series 2013 D Bonds Sinking Fund, Series 2013 D Bonds Reserve Account, Series 2013 E Bonds Sinking Fund, and Series 2013 E Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

Moneys in Series 2013 B Bonds Sinking Fund, Series 2013 B Bonds Reserve Account, Series 2013 C Bonds Sinking Fund, Series 2013 C Bonds Reserve Account, Series 2013 D Bonds Sinking Fund, Series 2013 D Bonds Reserve Account, Series 2013 E Bonds Sinking Fund, and Series 2013 E Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2013 B Bonds Sinking Fund and the Series 2013 B Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2013 B Bonds under the conditions and restrictions set forth herein.

The Series 2013 C Bonds Sinking Fund and the Series 2013 C Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2013 C Bonds under the conditions and restrictions set forth herein.

The Series 2013 D Bonds Sinking Fund and the Series 2013 D Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2013 D Bonds under the conditions and restrictions set forth herein.

The Series 2013 E Bonds Sinking Fund and the Series 2013 E Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2013 E Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day), deposit with the Commission the required interest, principal and reserve payments with respect to the Series 2013 Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day), deposit with the Commission the SRF Administrative Fee pursuant to the Bond Purchase Agreement and the ARRA Assistance Agreement.

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

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

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

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

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

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

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

ARTICLE VI

[RESERVED]

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2013 Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2013 Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2013 Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2013 Bonds shall not be nor constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2013 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2013 Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues: Lien Position with respect to Prior Bonds. The payment of debt service of the Series 2013 Bonds shall be secured by a first lien on the Gross Revenues derived from the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. Such Gross Revenues in an amount sufficient to pay the principal of and interest on the Series 2013 Bonds and the Prior Bonds and to make all other payments provided for in this Bond Legislation and the Prior Ordinances are hereby irrevocably pledged to such payments as they become due.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement, the Bond Purchase Agreement and the ARRA Assistance Agreement and the Issuer shall supply a certificate of certified public accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the water rate ordinance of the Issuer enacted June 21, 2011 the sewer rate ordinance of the Issuer enacted November 20, 2012 and the stormwater rate ordinance of the Issuer enacted April 17, 2008, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2013 Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement, the Bond Purchase Agreement and the ARRA Assistance Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2013 Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation, the Loan

Agreement, the Bond Purchase Agreement and the ARRA Assistance Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation, the Loan Agreement, the Bond Purchase Agreement and the ARRA Assistance Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinances. Additionally, so long as the Series 2013 Bonds are outstanding and except as otherwise required by law or with the written consent of the DEP and the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2013 Bonds, immediately be remitted to the Commission and, with the written permission of the DEP and the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest on the Series 2013 Bonds. Any balance remaining after the payment of the Series 2013 Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$50,000, the Board shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$50,000 but not in excess of \$200,000, the Board shall first, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds of any such sale shall be deposited in the Depreciation Fund. The payment of such proceeds into the Depreciation Fund shall not reduce the amount required to be paid into such account by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall

be in excess of \$200,000 and insufficient to pay all Bonds then Outstanding, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Series 2013 Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Series 2013 Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System. Moneys received upon any such sale under this paragraph, after deduction of all costs of such sale, shall be deposited in the Revenue Fund.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2013 Bonds and the Prior Bonds. All obligations issued by the Issuer after the assumption and re-designation of the Series 2013 Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2013 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2013 Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2013 Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the assumption and re-designation of the Series 2013 Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the DEP and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinances).

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2013 Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition or construction of extensions, additions, improvements or betterments to the System or refunding any outstanding Bonds, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

- (1) The Bonds then Outstanding;
- (2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and
- (3) The Parity Bonds then proposed to be issued.

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

The Net Revenues actually derived from the System during the 12 consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the issuance of such Parity Bonds. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

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

in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien of the Series 2013 Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2013 Bonds.

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

Section 7.08. Books; Records and Audit. The Board shall permit the Authority and the DEP, or their agents and representatives, to inspect all books, documents, papers and records relating to the System at all reasonable times for the purpose of audit and examination. The Board shall submit to the Authority and the DEP such documents and information as they may reasonably require in connection with the operation and maintenance of the System.

The Board shall permit the Authority and the DEP, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times.

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

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

The Board shall file with the Authority and the DEP, or any other original purchaser of the Series 2013 Bonds, and shall mail in each year to any Holder or Holders of the Series 2013 Bonds, requesting the same, an annual report containing the following:

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

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

(C) The amount of any Bonds, notes or other obligations payable from the revenues of the System outstanding.

The Board shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountant (and to the extent legally required, in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountant, or a summary thereof, to any Holder or Holders of the Series 2013 Bonds and shall submit said report to the Authority and the DEP, or any other original purchaser of the Series 2013 Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if there are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Loan Agreement, the Bond Purchase Agreement and the ARRA Assistance Agreement and the Act, the Issuer has acquired, or shall do all things necessary to acquire the District Assets and shall do, is doing or has done all things necessary to acquire the District Assets. All real estate and interests in real estate and all personal property constituting the District Assets heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

The Board shall provide the Authority and the DEP, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the DEP with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the assumption and re-designation of the Series 2013 Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and

charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2013 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2013 Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit in the respective Series 2013 Bonds Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2013 Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2013 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2013 Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinances described in Section 7.04.

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

Section 7.10. Operating Budget and Monthly Financial Report. The Board shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year. The Board shall within 30 days of adoption thereof mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the DEP and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority, the DEP and any Holder of any Bonds or anyone acting for and on behalf of such Holder of any Bonds.

Section 7.11. Operating Personnel. The Issuer shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of the Loan Agreement, the Bond Purchase Agreement and the ARRA Assistance Agreement.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the sewerage portion of the System and any services and facilities of the waterworks portion of the System, to all users of the services of the sewerage system delinquent in payment of charges for the services of the sewerage system and will not restore such services of either the waterworks system or the sewerage system until all delinquent charges for the services of the sewerage system, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the waterworks facilities are not owned by the Issuer, the Issuer shall use diligent efforts to enter into a termination agreement with the provider of such water services, subject to any required approval of such agreements by the Public Service Commission of West Virginia.

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

Section 7.15. Insurance A. The Board hereby covenants and agrees that so long as the Series 2013 Bonds remain Outstanding, the Board will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Board will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Depreciation Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Depreciation Fund.

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

(3) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Board and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

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

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

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

Section 7.16. Mandatory Use. The mandatory use of the sewer facilities of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer. Accordingly, to the extent permitted by the laws of the State and the rules and

regulations of the Public Service Commission of West Virginia, every owner, tenant or occupant of any real property located near the sewer portion of the System, and where sewer from real property affects or drains into the sewer portion of the System, shall be deemed to be a user served by the sewer portion of the System and it is declared that the mandatory use of the sewer portion of the System by such real property owner is necessary and essential for the health and welfare of the inhabitants and residents of the Issuer and the State. To the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, every such owner, tenant or occupant shall, after a 30-day notice of the availability of the sewer portion of the System, pay the rates and charges established therefor.

Section 7.17. Operation and Maintenance; Permits and Orders. The Board shall operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Board has obtained all permits required by state and federal laws for the acquisition of the District Assets and assumption and re-designation of the District Bonds and all approvals for acquisition of the District Assets and assumption and re-designation of the District Bonds required by state law, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect.

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

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

The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia in the manner prescribed by the guidelines established by the Authority and the Public Service Commission of West Virginia.

Section 7.19. Reserved.

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

Section 7.21. Reserved.

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2013 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2013 Bonds, and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2013 Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 2013 Bonds from gross income for federal income tax purposes.

Section 8.02. Covenants as to Use of Proceeds. The Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2013 Bonds as may be necessary in order to maintain the status of the Series 2013 Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2013 Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the DEP, as the case may be, from which the proceeds of the Series 2013 Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the DEP, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall annually furnish to the Authority, information with respect to the Issuer's use of the proceeds of the Series 2013 Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2013 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on any Series 2013 Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2013 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2013 Bonds and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due; (ii) by mandamus or other appropriate proceeding

enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System; (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds; and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided however, that all rights and remedies of the Holders of the Series 2013 Bonds shall be on a parity with those of the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2013 Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Gross Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2013 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2013 Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to the assumption and re-designation of the Series 2013 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following assumption and re-designation of the Series 2013 Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2013 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2013 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2013 Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Series 2013 Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2013 Bonds.

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

Section 11.05. Conflicting Provisions Repealed; Prior Ordinances. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided that, in the event of any conflict between this Ordinance and the Prior Ordinances, the Prior Ordinances shall control (unless less restrictive), so long as the Prior Bonds are outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be

taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the City Manager, the City Clerk and members of the Governing Body and the Board were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07. Appointment. The Issuer does hereby appoint, designate and approve the hiring of Steptoe & Johnson PLLC, Charleston, West Virginia, as bond counsel to the Issuer and the Board in connection with the assumption and re-designation by the Issuer of the Series 2013 Bonds.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the *Dominion Post*, a newspaper published and of general circulation in The City of Morgantown, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the assumption and re-designation of the Series 2013 Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

[Remainder of Page Intentionally Left Blank]

Section 11.09. Effective Date. This Ordinance shall take effect immediately following public hearing and final reading hereof.

Passed on First Reading: June 18, 2013

Passed on Second Reading: July 2, 2013

Passed on Final Reading
Following Public Hearing: July 16, 2013

By: _____
Mayor

ATTEST:

By: _____
City Clerk

APPROVED AND CORRECT AS TO FORM:

By: _____
City Solicitor

627490.00053

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of THE CITY OF MORGANTOWN on the 16th day of July, 2013.

[SEAL]

City Clerk

BOND ORDINANCE

THE CITY OF MORGANTOWN

**ASSUMPTION OF THE
SCOTTS RUN PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 1991 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY);
SEWER REVENUE BONDS, SERIES 1991 B
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY);
SEWER REVENUE BONDS, SERIES 2003 A
(WEST VIRGINIA SRF PROGRAM); AND
SEWER REVENUE BONDS, SERIES 2009 A
(WEST VIRGINIA SRF PROGRAM)**

AND

RE-DESIGNATED AND REPLACED AS

**THE CITY OF MORGANTOWN
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 B
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY);
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 B
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY);
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 D
(WEST VIRGINIA SRF PROGRAM); AND
COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 E
(WEST VIRGINIA SRF PROGRAM)**

Table of Contents

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

ARTICLE II

**AUTHORIZATION OF ACQUISITION OF THE DISTRICT ASSETS AND THE
ASSUMPTION AND RE-DESIGNATION OF THE DISTRICT BONDS**

- Section 2.01. Authorization of Acquisition of the District Assets.
Section 2.02. Authorization of Assumption and Re-designation of the District Bonds.

ARTICLE III

**AUTHORIZATION, TERMS, EXECUTION, REGISTRATION
AND ASSUMPTION OF DISTRICT BONDS; ASSUMPTION OF
LOAN AGREEMENT, BOND PURCHASE AGREEMENT AND ARRA
ASSISTANCE AGREEMENT**

- Section 3.01. Authorization of Assumption of District Bonds.
Section 3.02. Terms of Bonds.
Section 3.03. Execution of Bonds.
Section 3.04. Authentication and Registration.
Section 3.05. Negotiability, Transfer and Registration.
Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost
Section 3.07. Bonds not to be Indebtedness of the Issuer.
Section 3.08. Bonds Secured by Pledge of Gross Revenues; Lien Position with respect to
Prior Bonds.
Section 3.09. Delivery of Bonds.
Section 3.10. Form of Bonds.
Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan
Agreement, the Bond Purchase Agreement and the ARRA Assistance
Agreement
Section 3.12. Reserved.

ARTICLE IV

[RESERVED]

ARTICLE V

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

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

ARTICLE VI

[RESERVED]

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01.	General Covenants of the Issuer.
Section 7.02.	Bonds not to be Indebtedness of the Issuer.
Section 7.03.	Bonds Secured by Pledge of Gross Revenues; Lien Position with respect to Prior Bonds.
Section 7.04.	Rates and Charges.
Section 7.05.	Sale of the System.
Section 7.06.	Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances.
Section 7.07.	Parity Bonds.
Section 7.08.	Books; Records and Audit.
Section 7.09.	Rates.
Section 7.10.	Operating Budget and Monthly Financial Report.
Section 7.11.	Operating Personnel
Section 7.12.	No Competing Franchise.
Section 7.13.	Enforcement of Collections.
Section 7.14.	No Free Services.
Section 7.15.	Insurance
Section 7.16.	Mandatory Use.
Section 7.17.	Operation and Maintenance; Permits and Orders.
Section 7.18.	Compliance with Loan Agreement, the Bond Purchase Agreement and the ARRA Assistance Agreement and Law.
Section 7.19.	Reserved.
Section 7.20.	Securities Laws Compliance.
Section 7.21.	Reserved..
Section 7.22.	Statutory Mortgage Lien.

ARTICLE VIII

INVESTMENT OF FUNDS

Section 8.01.	Investments.
Section 8.02.	Covenants as to Use of Proceeds.

ARTICLE IX

DEFAULT AND REMEDIES

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

ARTICLE X

PAYMENT OF BONDS

- Section 10.01. Payment of Bonds.

ARTICLE XI

MISCELLANEOUS

- Section 11.01. Amendment or Modification of Bond Legislation.
- Section 11.02. Bond Legislation Constitutes Contract.
- Section 11.03. Severability of Invalid Provisions.
- Section 11.04. Headings, Etc.
- Section 11.05. Conflicting Provisions Repealed; Prior Ordinances.
- Section 11.06. Covenant of Due Procedure, Etc.
- Section 11.07. Appointment.
- Section 11.08. Statutory Notice and Public Hearing.
- Section 11.09. Effective Date.

SIGNATURES
CERTIFICATION

AN ORDINANCE BY THE CITY OF MORGANTOWN AUTHORIZING A TERMINABLE RIGHT-OF-WAY AND EASEMENT AGREEMENT BY AND BETWEEN THE CITY OF MORGANTOWN, GRANTOR, AND DEDRA F. BLANKENSHIP, GRANTEE, AS THE SAME APPLIES TO A STORMWATER LINE WITHIN THE CITY'S KREPPS PARK REALTY.

The City of Morgantown hereby ordains that its City Manager is authorized to execute the agreement hereto attached, by and on behalf of the City of Morgantown.

The Ordinance shall be effective upon date of adoption.

FIRST READING:

MAYOR

ADOPTED:

FILED:

CITY CLERK

RECORDED:

1 TERMINABLE RIGHT-OF-WAY AND EASEMENT AGREEMENT

2 THIS RIGHT-OF-WAY AND EASEMENT AGREEMENT, made and executed this ____ day
3 of _____, 2013, by and between the City of Morgantown, West Virginia, a municipal corporation,
4 party of the first part, Grantor and Dedra F. Blankenship, Party of the second part, Grantee.

5 WITNESSETH: That for and in consideration of the sum of \$1.00 and other good and valuable
6 consideration, the receipt of all which is hereby acknowledged, the said party of the first part, Grantor,
7 does hereby grant and convey, with covenants of Special Warranty, unto the said party of the second
8 part, Grantee and to its successors or assigns, a terminable right-of-way and easement to construct, lay,
9 operate, maintain, remove, reconstruct, replace or repair pipelines for the carrying and transporting of
10 storm water in, on, under and through a certain tract and parcel of land situate in the Morgantown
11 Taxing District, Tax Map 8, Parcel 2, Monongalia County, West Virginia, and which said tract and parcel
12 of land is further described in a deed record in the Office of the Clerk of the County Commission of
13 Monongalia County, West Virginia, in Deed Book 225 at Page 178, to which said deed reference is
14 hereby made for all pertinent purposes.

15 The said right-of-way and easement on side property is as follows:

16 **±130' of storm piping traveling generally west from a common line**
17 **between the subject parcel and a parcel owned by the Grantee and**
18 **further described as Morgantown Taxing District, Tax Map 8, Parcel 4,**
19 **Monongalia County, West Virginia, and which said parcel of land is**
20 **further described in a deed of record in the Office of Clerk of the**
21 **County Commission of Monongalia County, West Virginia, in Deed**
22 **Book 1349 at page 741 to a point on an unnamed tributary of Poponoe**
23 **Run; all as depicted and further described in Exhibit "A", attached and**
24 **incorporated herein.**

25 It is covenanted and agreed between the parties hereto that the Grantee shall have a centerline
26 right-of-way and easement on said property ten feet in width, as described above, in order to facilitate
27 the conveyance of storm water runoff. It is further covenanted and agreed that the Grantee shall
28 properly backfill and restore to ground level any ditch opened on said right-of-way and easement upon
29 the completion of any construction work performed thereon. Grantee shall present construction plans

30 for the storm water project to the City Engineer, for review prior to initiating work. Grantee shall
31 comply with all changes to the plan that are requested by the City Engineer.

32 The said Grantor further grants and conveys unto said Grantee, its successors or assigns, the
33 right of ingress, egress, and regress, to and from said right-of-way and easement for all proper purposes
34 and at all reasonable times and a temporary construction right-of-way and easement of such width as is
35 reasonable and necessary to carry out the construction, repair, or replacement of all or part of the
36 above described storm line.

37 The said Grantor, its successors and assigns, shall use and enjoy the premises of said right-of-
38 way and easement, except for the purposes hereinabove granted to the said Grantee, its successors or
39 assigns.

40 The Grantor does hereby grant and convey said right-of-way and easement to the Grantee, its
41 successors or assigns, upon the following terms and conditions:

42 This Agreement shall be binding upon the parties hereto, their successors or assigns.

- 43 1. Prior to initiating work on the storm water line, Grantee is to obtain all necessary municipal
44 permits.
- 45 2. Grantee agrees to indemnify and hold harmless the City of Morgantown, its Board of Park
46 and Recreation Commissioners, and their successors or assigns from any and all property or
47 injury claims that result from this easement being granted.
- 48 3. **Relocation or Removal** - The City of Morgantown reserves the right to require Grantee to
49 relocate the storm line at anytime the City deems that relocation is necessary. Should
50 relocation be required, Grantee will be required to obtain a new easement from the City.
51 The City's granting of any such relocation easement will not be unreasonably withheld. The
52 City of Morgantown reserves the right to terminate this easement agreement and require
53 Grantee to remove the storm water system that Grantee has placed within the easement
54 area. Removal by Grantee shall take place within (90) days of receiving written notice from
55 the City of Morgantown that this easement is being terminated.

56

57

DECLARATION OF CONSIDERATION OR VALUE

58

The undersigned hereby declare:

59

That the conveyance made in the document to which this declaration is appended is exempt from

60

taxation under the provisions of Chapter 11, Article 22, of the Code of West Virginia, for the reason that it is a

61

conveyance made from a political subdivision of the State of West Virginia.

62

WITNESS the following signatures:

63

City of Morgantown

64

65

By: _____

By: _____

66

Jeff Mikorski

Dedra F. Blankenship

67

City Manager

68

69

STATE OF WEST VIRGINIA,

70

71

CONTY OF MONONGALIA, to-wit:

72

73

The foregoing instrument was acknowledged before me on the ____ day of _____, 2013, by

74

Debra F. Blankenship.

75

My commission expires: _____

76

77

78

Notary Public in and for the State of West Virginia

79

STATE OF WEST VIRGINIA,

80

COUNTY OF MONONGALIA, to-wit:

81

The foregoing instrument was acknowledged before me on this ____ day of _____, 2013, by

82

Jeff Mikorski, City Manager, acting for and on behalf of the City of Morgantown, a municipal corporation.

83

My commission expires: _____

84

85

EXHIBIT "A"

STAR CITY

CITY OF MORGANTOWN
MONONGALIA COUNTY, WV
MORGANTOWN TAX DISTRICT
TAX MAP 8 PARCEL 2
DEED BOOK 225 PAGE 178

DEDRA F. BLANKENSHIP
MONONGALIA COUNTY, WV
MORGANTOWN TAX DISTRICT
TAX MAP 8 PARCEL 4
DEED BOOK 1349 PAGE 741

PROPERTY LINE
(TYP.)

UNNAMED TRIBUTARY
OF POPONOE RUN

PROPOSED
RESIDENTIAL
HOME

N/F BRIAN C. WALDEN
MONONGALIA COUNTY, WV
MORGANTOWN TAX DISTRICT
TAX MAP 8 PARCEL 5
DEED BOOK 1393 PAGE 768

N/F HAZEL LUCILLE MCCORD
MONONGALIA COUNTY, WV
MORGANTOWN TAX DISTRICT
TAX MAP 8 PARCEL 6
DEED BOOK 362 PAGE 822

±130'

±89'

PROPOSED
CENTERLINE RIGHT-OF-WAY

±45'

PROPOSED
SWM SYSTEM

PARKVIEW
DRIVE

POPONOE RUN

N/F MARY K. MCCARTNEY
MONONGALIA COUNTY, WV
MORGANTOWN TAX DISTRICT
TAX MAP 8 PARCEL 3
DEED BOOK 516 PAGE 295

N/F JOHN ROSCOE &
AMY STRICKLAND DALE
MONONGALIA COUNTY, WV
MORGANTOWN TAX DISTRICT
TAX MAP 8 PARCEL 7
DEED BOOK 1269 PAGE 504

THIS EXHIBIT IS NOT INTENDED TO BE A PROPERTY SURVEY. IT IS INTENDED TO BE USED FOR INFORMATIONAL PURPOSES ONLY.

DRAWN BY	DATE	REV	DATE	BY	DESCRIPTION
J. COHEN	04/05-1-13	1			
DESIGN BY	DATE	2			
CHECKED BY	DATE	1			
APPROVED BY	DATE				

Cheat Road Engineering
170 Old Cheat Road
Morgantown, WV 26505

PROJECT NAME
1319 Parkview Drive
Residential Home
Morgantown, WV

OWNER / CLIENT
Dedra Blankenship
639 Poplar Woods Drive
Morgantown, WV 26505

DRAWING TITLE	PROJECT NUMBER	DRAWING NUMBER	DATE
Exhibit A	13-012	13-012-Design Sht. 1 of 1	5-02-13

AN ORDINANCE BY THE CITY OF MORGANTOWN AMENDING SECTIONS 1751.06(b) AND 1751.07 (d) OF ITS BUILDING AND HOUSING CODE, AS THE SAME APPLY TO INSPECTIONS AND LETTERS OF COMPLIANCE; AND ADDING A NEW SECTION 1751.18 TO ARTICLE 1751 ADDRESSING CARBON MONOXIDE DETECTORS.

The City of Morgantown hereby ordains that Sections 1751.06 (b) and 1751.07 (d) of its Building and Housing Code are amended and a new section 1751.18 is added to the foregoing code as follows (new matter underlined, deleted matter struck through):

1751.06 INSPECTIONS.

- (a) The Housing Inspector shall conduct all inspections during reasonable hours of the day and after presentation of proper identification. The owner may arrange, and the occupant shall have the opportunity, to be present during an inspection. In all cases, if the occupant or owner of a dwelling unit refuses entry to conduct inspection, the Housing Inspector shall not conduct any such inspection without a search warrant. The Housing Inspector shall take the necessary action to obtain such search warrant.
- (b) The Housing Inspector shall inspect within ~~four~~ three years of the effective date of this section, all rental units.
- (c) The Housing Inspector shall promptly inspect any dwelling at the written request of the owner, or upon receipt of a written complaint from a person with demonstrable interest with the nature of the noncompliance specifically indicated and with evidence that the subject matter of the complaint has been reported to the operator in writing and that five working days have since passed without the operator having made an effort to correct the alleged problem. In addition, the Housing Inspector may inspect any dwelling as frequently as necessary to assure abatement of the noncompliance. The Housing Inspector shall not respond to a second letter or further letter by any person requesting an inspection where he has reason to believe the request is made for harassment and not made in good faith. If after inspection the dwelling unit is found in nonconformance with the requirements of this article, the Housing Inspector shall proceed under Section 1751.08.
- (d) Persons with demonstrable interest are: owner, occupant, tenant, lessee or other occupant in the same dwelling, owner or occupant of abutting properties.
- (e) The fact that a complaint of nonconformance with this article is made by the occupant shall not be used as a ground, cause or basis for termination of the tenancy or reduction of services by the owner. However, at the end of any lease, the owner may change occupants.

- (f) The inspection of any owner-occupied single-family dwelling with roomers shall be limited to the utilities and the areas occupied and used by the roomers and to the egress from those areas.
- (g) The Housing Inspector shall keep confidential all evidence exclusive of the inspection record, which he may discover or obtain in the course of an inspection made pursuant to this article and such evidence shall be considered privileged.

1751.07 GRANT OF LETTER OF COMPLIANCE; EXPIRATION.

- (a) If after inspections the dwelling is found to conform with the requirements of this article, the Housing Inspector shall issue a letter of compliance within two working days.
- (b) If dwelling units of a duplex or multiple dwelling are not all in compliance, the Housing Inspector may issue a temporary letter of compliance for each dwelling unit conforming to the provisions of this article. A three-year letter of compliance shall be issued for the completed dwelling after the Housing Inspector finds it in conformance with this article.
- (c) A copy of the letter of compliance shall be available for inspection at the Inspection Office.
- (d) Letters of compliance issued after the effective date of this section shall expire ~~five~~ three years from the date of issuance unless sooner revoked under Section 1751.08. In those cases where a temporary letter of compliance is first issued for the completed dwelling after the Housing Inspector finds it in conformance with this article.
- (e) The letter of compliance shall include at least: The information contained in the application, the date of inspection, the name of the Inspector, the date of issue, and date of expiration.
- (f) For multiple dwellings, the Inspector may issue a letter of compliance for the entire dwelling that includes all the required information and that lists the address for each dwelling unit.

and

1751.18 CARBON MONOXIDE DETECTORS

An operational single station carbon monoxide detector with a suitable alarm or a combination smoke detector and carbon monoxide detector, which shall be alternating current (AC) powered, either plugged directly in to an electrical source, with battery back up, shall be installed, maintained, tested, repaired or replaced, if necessary, in accordance with manufacturer's direction as follows:

1. In the sleeping rooms of any existing one and two- family dwelling unit, apartment or lodging and rooming house intended to be rented or leased which has fuel-burning heating or cooking sources including, but not limited to, furnace, stove, or hot water heater;
2. In the sleeping rooms of any existing one and two-family dwelling unit, apartment or lodging and rooming house that is connected to a garage, storage shed or barn, which has fuel-burning heating or cooking sources, including, but not limited to, a furnace, stove, or hot water heater;
3. All single station carbon monoxide detectors with a suitable alarm or combination smoke detector and carbon monoxide detectors shall be hardwired into alternating current (AC) electrical source, with battery back-up when installed in newly constructed one and two-family dwelling units whether owned or intended to be rented or leased, apartments or lodging and rooming houses.
 - (a) Any person installing a carbon monoxide detector in a residential unit shall inform the owner, lessor or the occupant or occupants of the residential unit of the dangers of carbon monoxide poisoning and instructions on the operation of the carbon monoxide detector installed.
 - (b) When repair or maintenance work is undertaken on a fuel-burning heating or cooking source or a venting system in an existing residential unit, the person making the repair or performing the maintenance shall inform the owner, lessor or the occupant or occupants of the unit being served by the fuel-burning heating or cooking source or venting system of the dangers of carbon monoxide poisoning and recommend the installation of a carbon monoxide detector.
 - (c) As set forth in Section 29-3-16(k) of the West Virginia Code, any person who violates any provision of this section is guilty of a misdemeanor and, upon conviction thereof, for a first offense, shall be fined \$250. For a second offense, the person is guilty of a misdemeanor and, upon conviction thereof, shall be fined \$750. For a third and subsequent offenses, the person is guilty of a misdemeanor and, upon conviction thereof, shall be fined \$2,000.
 - (d) As set forth in Section 29-3-16(l) of the West Virginia Code, a violation of this section may not be considered by virtue of the violation to constitute evidence of negligence or contributory negligence or comparative negligence in any civil action or proceeding for damages.
 - (e) As set forth in Section 29-3-16(m) of the West Virginia Code, a violation of this section may not constitute a defense in any civil action or proceeding involving any insurance policy.

This ordinance shall be effective upon date of adoption.

FIRST READING:

Mayor

ADOPTED:

FILED:

City Clerk

RECORDED:

AN ORDINANCE BY THE CITY OF MORGANTOWN AMENDING A JANUARY 6, 2009, LEASE AGREEMENT BY AND BETWEEN IT, AS LESSOR, AND THE STATE OF WEST VIRGINIA, AS LESSEE, PERTAINING TO SPACE WITHIN THE AIRPORT TERMINAL BUILDING BEING UTILIZED BY THE WEST VIRGINIA ARMY NATIONAL GUARD BAND.

The City of Morgantown hereby ordains that its City Manager is authorized to execute the Addendum Agreement hereto attached, by and on behalf of the City of Morgantown.

This ordinance shall be effective upon date of adoption.

FIRST READING:

MAYOR

ADOPTED:

FILED:

CITY CLERK

RECORDED:

ADDENDUM I

THIS ADDENDUM, made **June 14, 2013**, is hereby made an integral part of the Contract of Lease ADG-022-113, which lease was made **January 6, 2009**, by and between **CITY OF MORGANTOWN**, hereinafter referred to as "Lessor," and the **STATE OF WEST VIRGINIA**, by the **Department of Administration, Real Estate Division**, as "Lessee", for and on behalf of the **Department of Military Affairs and Public Safety**, as "Tenant."

WHEREAS, the Lessor has leased unto the Lessee, for use by the Tenant, the following described Leased Premises:

Office and storage space consisting of approximately 7,000 square feet, more or less, located in the single story metal building commonly known as the Terminal Building at 100 Hart Field Road, in the City of Morgantown, Monongalia County, West Virginia, along with adequate parking (hereinafter referred to as the "Premises").

WHEREAS, the Department of Administration, Real Estate Division assigned its rights under the Contract of Lease ADG-022-113 to the State of West Virginia, Adjutant General's Department as of November 30, 2011 by letter dated November 22, 2011 (attached to this Addendum as Exhibit A).

WHEREAS, both parties hereto agree to extend the term of said Contract of Lease on a month to month basis effective **February 1, 2013**, at the current annual per square foot rate of **\$6.00**.

WHEREAS, both parties hereto agree that the above-stated changes shall be effective **January 31, 2013**.

NOW, THEREFORE, THIS ADDENDUM WITNESSETH:

It is agreed by and between the parties hereto that the Lessee will now be referred to as the **STATE OF WEST VIRGINIA, ADJUTANT GENERAL'S DEPARTMENT** and the Tenant will now be referred to as the **WEST VIRGINIA ARMY NATIONAL GUARD BAND** and that certain sections of the subject Contract of Lease and addendum are amended as follows:

(A) Contract Section 1, TERM AND NOTICES, shall be amended to read as follows:

The term of this Contract of Lease, subject to the provisions hereof, shall begin on **February 1, 2013** and continue on a month to month basis until the new West Virginia Army National Guard Readiness Center facility currently under construction at the Airport is complete and the Army National Guard Band is able to move. Pursuant to provisions of W.Va. Code §18B-19-12 (e)

(3), this lease shall be considered renewed for each ensuing fiscal year during the term of the Contract of Lease unless it is canceled by the Lessee before the end of the then current fiscal year.

Notices may be given by personal service upon the party(s) entitled to such notice, being Lessor and Lessee (not Tenant); or by certified mail, duly stamped and directed to the last-known address of the party to be notified, and deposited in the post office. The proper mailing of such notice and not the receipt thereof shall constitute the giving of such notice by either party to the other. Notices shall be directed as follows:

To the Lessor

Office of the Airport Director
Morgantown Municipal Airport
100 Hart Field Road
Morgantown, WV 26505

To the Lessee

State of West Virginia
Adjutant General's Department
Construction & Facilities Mgmt. Division
1703 Coonskin Drive
Charleston, WV 25311-1085
Phone: 304.561.6353
Fax: 304.561.6344
Email: rocky.hodges@us.army.mil
Attn: CPT Melvin "Rocky" Hodges

(B) Other Terms and Conditions:

The subject Contract of Lease shall now be identified as **ADG-022-114**.

All other terms and conditions shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused their names to be affixed to this ADDENDUM I.

WITNESS: City of Morgantown - Lessor

By _____ By _____
Jeff Mikorski, City Manager

WITNESS: State of West Virginia,
Adjutant General's Department - Lessee

By _____ By _____
LTC David P. Shafer, CFMO
On behalf of The Adjutant General for
the State of West Virginia

Approved as to form this ____ day of _____, 2013.

Patrick Morrissey, Attorney General

By _____, Dan Greear, Chief Counsel

EXHIBIT A

Transfer of Assignment of Lease ADG-022 Letter

Mailed to Lessee 11/28/11

STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION
REAL ESTATE DIVISION
1409 Greenbrier Street
Charleston, West Virginia 25311

Earl Ray Tomblin
Governor

Robert W. Ferguson, Jr.
Cabinet Secretary

Charles D. Lawrence, Jr.
Executive Director

November 22, 2011

Dan W. Boroff, City Manager
Office of the Airport Director Morgantown Municipal Airport
100 Hart Field Road
Morgantown, WV 26505

Re: Transfer of Assignment of Lease ADG-022

Dan,

During the 2011 2nd Special Session, a Legislative change was made to West Virginia Code §5A-10-2. (7) that exempts the Adjutant General's Office from the Real Estate Division.

In order to conform to the change in Code, the Real Estate Division is informing you that as of 11/30/2011, the Adjutant General's Office, Department of Military Affairs and Public Safety will be solely responsible for Lease ADG-022.

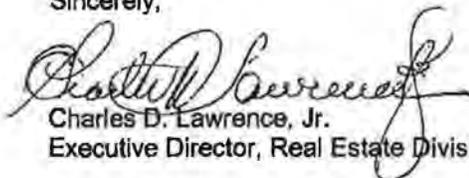
The Adjutant General's Office shall have all of the rights of Lessee contained in Lease ADG-022 including, without limitation, any option to renew, extend or cancel the Lease and shall have signatory authority as required.

As Lessee, the Adjutant General's Office assumes and agrees to be bound by all of the Real Estate Division's obligations under the Lease and shall perform all the terms, covenants and conditions of the Lease, including the payment of rent and any other required amounts to the Lessor, Office of the Airport Director Morgantown Municipal Airport.

The Adjutant General's Office shall indemnify and hold the Real Estate Division harmless from any and all claims, damages, expenses and liabilities of whatever nature, including attorney's fees, arising under the Lease or relating to the Premises after the date hereof.

All terms and conditions contained in Lease ADG-022 shall continue in full force and effect.

Sincerely,


Charles D. Lawrence, Jr.
Executive Director, Real Estate Division

cc: Rhonda Combs Wick
Attachment: West Virginia Code §5A-10-2. (7)
Telephone: (304) 558-3062

E.E.O./AFFIRMATIVE ACTION EMPLOYER

Fax: (304) 558-8082

Attachment 1

§5A-10-2. Leases for space to be made in accordance with article; exceptions.

(a) Notwithstanding any other provision of this code, no department, agency or institution of state government may lease, or offer to lease, as lessee, any grounds, buildings, office or other space except in accordance with the provisions of this article and article three of this chapter.

(b) The provisions of the article, except as to office space, do not apply to the Division of Highways of the Department of Transportation.

(c) The provisions of this article do not apply to:

(1) Public lands, rivers and streams acquired, managed or which title is vested in or transferred to the Division of Natural Resources of the Department of Commerce, pursuant to section seven, article one, chapter twenty of this code and section two, article five of said chapter;

(2) The Higher Education Policy Commission;

(3) The West Virginia Council for Community and Technical College Education;

(4) The institutional boards of governors in accordance with the provisions of subsection (v), section four, article five, chapter eighteen-b of this code;

(5) The real property held by the Department of Agriculture, including all institutional farms, easements, mineral rights, appurtenances, farm equipment, agricultural products, inventories, farm facilities and operating revenue funds for those operations;

(6) The real property held by the West Virginia State Conservation Committee, including all easements, mineral rights, appurtenances and operating revenue funds for those operations; or

(7) The Adjutant General's Department and the West Virginia National Guard, including all real property, acquisitions, leases, easements, armories, armory projects, appurtenances and operating revenue funds for those operations.

AN ORDINANCE BY THE CITY OF MORGANTOWN, AUTHORIZING A LEASE AGREEMENT AMENDMENT BY IT, AS LESSOR, AND THE UNITED STATES OF AMERICA, AS LESSEE, ON BEHALF OF THE TRANSPORTATION SECURITY ADMINISTRATION (TSA), AS THE SAME APPLIES TO LEASE TERM AND RENTAL PAYMENT.

The City of Morgantown hereby ordains that its City Manager is authorized to execute the Lease Agreement Amendment, hereto attached, by and on behalf of the City of Morgantown.

This Ordinance shall be effective upon date of adoption.

FIRST READING:

ADOPTED:

FILED:

RECORDED:

MAYOR

CITY CLERK

**GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
SUPPLEMENTAL LEASE AGREEMENT**

SUPPLEMENTAL AGREEMENT
NO.5

DATE

TO LEASE NO.
GS-03B-03380

ADDRESS OF PREMISES
Morgantown Municipal Airport
100 Hart Field Road
Morgantown, WV 26505

THIS AGREEMENT, made and entered into this date by and between
Morgantown Municipal Airport
100 Hart Field Road
Morgantown, WV 26505

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease to provide to add a renewal option to the lease.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is hereby amended effective upon execution as follows

A. In accordance with Part II (B. Term), written notice is hereby provided that Lease No. GS-03B-03380 is renewed for one, five-year period .

B. Part II (B. TERM) of the Lease is amended by deleting the existing text and substituting, in lieu thereof, the following:

"TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on December 1,2002 through July 31,2018, subject to termination and renewal rights as may be hereinafter set forth. The Government may terminate the lease effective at anytime by giving at least ninety (90) days notice in writing to the Lessor. No rental shall accrue after the effective date of termination said notice be computed commencing with the day after the date of mailing. All other terms and conditions of the lease shall remain in force and effect."

C. Part II (C. RENTAL) shall be amended and the following text shall be added after the text "...prorated":

"The Government shall pay the Lessor an annual operating rent of \$33,300.85

*Subject to escalations as outlined in Para C of Supplemental Lease Agreement Number 4

ALL OTHER TERMS AND CONDITIONS OF THE LEASE SHALL REMAIN IN FULL FORCE AND EFFECT.
IN WITNESS WHEREOF, the parties subscribed their names as of the above date.

LESSOR:

BY _____
(Signature)

(Title)

IN PRESENCE OF (witnessed by):

(Signature)

(Title)

UNITED STATES OF AMERICA

BY _____
(Signature)

Contracting Officer, GSA
(Official title)

City of Morgantown

Finance Department

389 Spruce Street

Morgantown, WV 26505

Phone (304) 284-7407/Fax 7418

jsabatelli@cityofmorgantown.org

MEMO

DATE: July 9, 2013
TO: Jeff Mikorski, City Manager
FROM: J.R. Sabatelli, Finance Director 
RE: Coal Severance Budget Revision 1

Included herewith you will find the proposed ordinance and "Request for Revision to Approved Budget" for the FY2014 Coal Severance Budget. An explanation of the proposed changes follows:

The Unencumbered Fund Balance is adjusted to reflect the actual carryover at June 30, 2013.

The increase of \$25,000 in the Contributions/Transfers to Other Funds and increase of \$3,058 in the Contingencies are a result of higher than budgeted Coal Severance Taxes received during the fiscal year ending June 30, 2013.

AN ORDINANCE AMENDING THE FY 2013-2014 ANNUAL BUDGET OF THE CITY OF MORGANTOWN AS SHOWN IN THE REVISED BUDGET ATTACHED HERETO AND MADE A PART OF THIS ORDINANCE AS THE SAME APPLIES TO THE COAL SEVERANCE FUND.

The City of Morgantown hereby ordains:

That the FY 2013-2014 Annual Budget of the Coal Severance Fund of the City of Morgantown is amended as shown in the revised budget (Revision 01) attached hereto and made a part of this ordinance.

First Reading:

Adopted:

Mayor

Filed:

Recorded:

City Clerk

Ora Ash, Director
 West Virginia State Auditor's Office
 200 West Main Street
 Clarksburg, WV 26301
 Phone: 627-2415 ext. 5114
 Fax: 627-2417

Person To Contact Regarding
 Budget Revision: J.R. Sabatelli
 Phone: 304-284-7407
 Fax: 304-284-7418

REQUEST FOR REVISION TO APPROVED BUDGET

Subject to approval of the state auditor, the governing body requests that the budget be revised prior to the expenditure or obligation of funds for which no appropriation or insufficient appropriation currently exists. (§ 11-8-26a)

City of Morgantown
 GOVERNMENT ENTITY

389 Spruce Street
 STREET OR PO BOX

Morgantown 26505
 CITY ZIP CODE

CONTROL NUMBER
2013-2014
 FY
Coal Severance
 FUND
1
 REV. NO.
1 of 1
 PG. OF NO.

Municipality
 Government Type

REVENUES: (net each acct.)

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	PREVIOUSLY APPROVED AMOUNT	(INCREASE)	(DECREASE)	REVISED AMOUNT
298	Assigned Fund Balance	4,456	28,058		32,514
	#N/A				

NET INCREASE/(DECREASE) Revenues (ALL PAGES)

28,058

Explanation for Account # 378, Municipal Specific:
Explanation for Account # 369, Contributions from Other Funds:

EXPENDITURES: (net each account category)

(WV CODE 7-1-9)

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	PREVIOUSLY APPROVED AMOUNT	(INCREASE)	(DECREASE)	REVISED AMOUNT
444	Contributions / Transfers to Other Funds	125,000	25,000		150,000
699	Contingencies*	11,656	3,058		14,714
	#N/A				

NET INCREASE/(DECREASE) Expenditures

28,058

APPROVED BY THE STATE AUDITOR

BY: Director, Local Government Services Division Date

AUTHORIZED SIGNATURE OF ENTITY

APPROVAL DATE

City of Morgantown

Finance Department

389 Spruce Street

Morgantown, WV 26505

Phone (304) 284-7407/Fax 7418

jsabatelli@cityofmorgantown.org

MEMO

DATE: July 11, 2013

TO: Jeff Mikorski, ICMA-CM, City Manager

FROM: J.R. Sabatelli, CPA, Finance Director 

RE: General Fund Budget Revision 1

Included herewith you will find the proposed ordinance and "Request for Revision to Approved Budget" for the FY2013 General Fund Budget. An explanation of the proposed changes follows:

The adjustments to revenue reflect an increase from the projected and approved carryover from the previous fiscal year (FY13) to the current projected carryover based on actual figures, coupled with the increase in contribution from the Coal Severance Fund and a change in accident reports to reflect actual revenue realized over the previous 2 fiscal years.

The adjustments to expenditures include an increase in workers compensation insurance for the new fiscal year. Also included is an increase in the civilian employee retirement contributions from the previous rate of 11.81% to the actuarially determined and required contribution rate of 13.32%. Increases in travel and training for the Finance, Police and Fire Departments have also been included to provide additional support for new officers and continued necessary training within those departments. A slightly more detailed breakdown of individual lines affected in each department is included as supplementary information.

AN ORDINANCE AMENDING THE FY 2013-2014 ANNUAL BUDGET OF THE CITY OF MORGANTOWN AS SHOWN IN THE REVISED BUDGET ATTACHED HERETO AND MADE A PART OF THIS ORDINANCE AS THE SAME APPLIES TO THE GENERAL FUND.

The City of Morgantown hereby ordains:

That the FY 2013-2014 Annual Budget of the General Fund of the City of Morgantown is amended as shown in the revised budget (Revision 01) attached hereto and made a part of this ordinance.

First Reading:

Adopted:

Mayor

Filed:

Recorded:

City Clerk

Ora Ash, Director
 West Virginia State Auditor's Office
 200 West Main Street
 Clarksburg, WV 26301
 Phone: 627-2415 ext. 5114
 Fax: 627-2417

REQUEST FOR REVISION TO APPROVED BUDGET

Subject to approval of the state auditor, the governing body requests that the budget be revised prior to the expenditure or obligation of funds for which no appropriation or insufficient appropriation currently exists. (§ 11-8-26a)

CONTROL NUMBER
2013-2014
 FY
General Fund
 FUND
1
 REV. NO.
1 of 1
 PG. OF NO.

Person To Contact Regarding
 Budget Revision: **J.R. Sabatelli**
 Phone: **304-284-7407**
 Fax: **304-284-7418**

City of Morgantown
 GOVERNMENT ENTITY
 389 Spruce Street
 STREET OR PO BOX
 Morgantown 26505
 CITY ZIP CODE

Municipality
 Government Type

REVENUES: (net each acct.)

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	PREVIOUSLY APPROVED AMOUNT	(INCREASE)	(DECREASE)	REVISED AMOUNT
299	Unassigned Fund Balance	120,000	80,000		200,000
369	Contributions from other Funds - Must Provide Explanation below	125,000	25,000		150,000
389	Accident Reports	17,000		9,000	8,000
	#N/A				
	#N/A				
	#N/A				

NET INCREASE/(DECREASE) Revenues (ALL PAGES) 96,000

Explanation for Account # 378, Municipal Specific:
Explanation for Account # 369, Contributions from Other Funds: From Coal Severance Fund

EXPENDITURES: (net each account category)

(WV CODE 7-1-9)

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	PREVIOUSLY APPROVED AMOUNT	(INCREASE)	(DECREASE)	REVISED AMOUNT
412	City Manager's Office	509,519	4,938		514,457
414	Finance Office	752,727	11,292		764,019
415	City Clerk	159,000	1,386		160,386
416	Police Judge's Office	227,418	1,568		228,986
417	City Attorney	286,580	2,692		289,272
420	Engineering	459,473	4,872		464,345
422	Personnel Office	46,705	308		47,013
436	Building Inspection	923,115	8,839		931,954
437	Planning & Zoning	211,895	1,811		213,706
439	Data Processing	190,463	685		191,148
440	City Hall	526,934	2,150		529,084

NET INCREASE/(DECREASE) Expenditures 96,000

APPROVED BY THE STATE AUDITOR
 BY: Director, Local Government Services Division Date

AUTHORIZED SIGNATURE OF ENTITY APPROVAL DATE

EXPENDITURES (CONT'D)

LGSD: BR City of Morgantown

City of Morgantown
CONTROL NUMBER

2013-2014

General Fund

1

BUDGET REVISION REQUEST-SUPPLEMENT

ACCOUNT NUMBER	ACCOUNT CATEGORY	PREVIOUSLY APPROVED AMOUNT	FY		REV#
			INCREASE	DECREASE	REVISED AMOUNT
700	Police Department	6,502,357	14,872		6,517,229
706	Fire Department	4,303,333	1,930		4,305,263
750	Streets and Highways	2,334,240	26,051		2,360,291
752	Signs and Signals	595,293	3,495		598,788
754	Central Garage	758,791	4,862		763,653
950	Beautification Programs	126,170	1,316		127,486
699	Contingencies*	89,713		47,067	42,646
444	Contributions / Transfers to Other Funds	350,000	50,000		400,000
	#N/A				

NET INCREASE/(DECREASE) Expenditures (this page)

55,459

City of Morgantown
 General Fund
 Budget Revision #1
 Fiscal Year 2014

Wage related adjustments:

Department 412

City Manager:	Current	New	Revision
Retire	37,860.00	42,700.00	4,840.00
WC	1,246.00	1,344.00	<u>98.00</u>
			4,938.00

Department 414

Finance:	Current	New	Revision
Retire	48,228.00	54,395.00	6,167.00
WC	1,587.00	1,712.00	<u>125.00</u>
			6,292.00

Department 415

City Clerk:	Current	New	Revision
Retire	10,628.00	11,987.00	1,359.00
WC	350.00	377.00	<u>27.00</u>
			1,386.00

Department 416

Municipal Court:	Current	New	Revision
Retire	11,964.00	13,494.00	1,530.00
WC	487.00	525.00	<u>38.00</u>
			1,568.00

Department 417

City Attorney:	Current	New	Revision
Retire	21,153.00	23,857.00	2,704.00
WC	488.00	476.00	<u>(12.00)</u>
			2,692.00

Department 420

Engineering:	Current	New	Revision
Retire	31,761.00	35,822.00	4,061.00
WC	9,609.00	10,420.00	<u>811.00</u>
			4,872.00

Department 422

Personnel:	Current	New	Revision
Retire	2,363.00	2,665.00	302.00
WC	78.00	84.00	<u>6.00</u>
			308.00

Department 436			
Code Enforcement:	Current	New	Revision
Retire	59,832.00	67,482.00	7,650.00
WC	14,113.00	15,302.00	<u>1,189.00</u>
			8,839.00

Department 437			
Planning:	Current	New	Revision
Retire	13,884.00	15,659.00	1,775.00
WC	457.00	493.00	<u>36.00</u>
			1,811.00

Department 439			
Info. Technology:	Current	New	Revision
Retire	5,249.00	5,920.00	671.00
WC	172.00	186.00	<u>14.00</u>
			685.00

Department 440			
City Hall:	Current	New	Revision
Retire	16,204.00	18,276.00	2,072.00
WC	5,747.00	5,825.00	<u>78.00</u>
			2,150.00

Department 700			
Police:	Current	New	Revision
Retire	43,389.00	48,936.00	5,547.00
WC	129,521.00	136,346.00	<u>6,825.00</u>
			12,372.00

Department 706			
Fire:	Current	New	Revision
Retire	6,263.00	7,064.00	801.00
WC	120,554.00	116,683.00	<u>(3,871.00)</u>
			(3,070.00)

Department 750			
Streets:	Current	New	Revision
Retire	129,759.00	146,350.00	16,591.00
WC	118,280.00	127,740.00	<u>9,460.00</u>
			26,051.00

Department 752			
Signs and Signals:	Current	New	Revision
Retire	18,829.00	21,237.00	2,408.00
WC	13,736.00	14,823.00	<u>1,087.00</u>
			3,495.00

Department 754			
Equipment Maintenance:	Current	New	Revision
Retire	31,279.00	35,278.00	3,999.00
WC	10,751.00	11,614.00	<u>863.00</u>
			4,862.00

Department 952			
Urban Landscape:	Current	New	Revision
Retire	8,414.00	9,490.00	1,076.00
WC	2,838.00	3,078.00	<u>240.00</u>
			1,316.00

Total wage related items			80,567.00
--------------------------	--	--	-----------

Non-wage items requiring adjustment:

	Current	New	Revision
Dept 414 Finance			
Travel and Training	5,950.00	10,950.00	5,000.00
Dept 706 Fire Department			
Travel and Training	16,150.00	21,150.00	5,000.00
Dept 700 Police Department			
Travel and Training	20,500.00	23,000.00	2,500.00
Dept 70 Operating Transfers			
Contrib to Capital Escrow	350,000.00	400,000.00	50,000.00
Total nonwage	392,600.00	455,100.00	62,500.00

Total Increase overall			143,067.00
------------------------	--	--	------------

Totals by Department	
Dept 412 City Manager	4,938.00
Dept 414 Finance	11,292.00
Dept 415 City Clerk	1,386.00
Dept 416 Municipal Court	1,568.00
Dept 417 City Attorney	2,692.00
Dept 420 Engineering	4,872.00
Dept 422 Personnel	308.00
Dept 436 Code Enforment	8,839.00
Dept 437 Planning	1,811.00
Dept 439 Information Technology	685.00
Dept 440 City Hall	2,150.00
Dept 700 Police	14,872.00
Dept 706 Fire	1,930.00
Dept 750 Street	26,051.00
Dept 752 Signs and Signals	3,495.00
Dept 754 Equipment Maintenance	4,862.00
Dept 952 Urban Landscape	1,316.00
Dept 70 Operating Transfers	50,000.00
Contingencies	<u>(47,067.00)</u>
	96,000.00

Revenue Adjustment

	Current	New	Revision
Prior Year Carryover	120,000.00	200,000.00	80,000.00
Accident Reports	17,000.00	8,000.00	(9,000.00)
Contrib from Coal Severeance	<u>125,000.00</u>	<u>150,000.00</u>	<u>25,000.00</u>
	262,000.00	358,000.00	96,000.00

AN ORDINANCE BY THE CITY OF MORGANTOWN AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT BETWEEN IT AND THE MONONGALIA COUNTY DEVELOPMENT AUTHORITY WHICH PERTAINS TO THE FUNDING OF A MITIGATION PLAN PERTAINING TO THE CONSTRUCTION OF THE MORGANTOWN MUNICIPAL AIRPORT ACCESS ROAD; SAID FUNDING PLAN BEING REQUIRED BY THE UNITED STATES ARMY CORPS OF ENGINEERS.

The City of Morgantown hereby ordains that its City Manager is authorized to execute the attached Memorandum of Understanding, between the City and the Monongalia County Development Authority, by and on behalf of the City of Morgantown.

This ordinance shall be effective upon date of adoption.

FIRST READING:

MAYOR

ADOPTED:

FILED:

RECORDED:

CITY CLERK

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“Agreement”) entered into this _____ day of July, 2013 by and between the Monongalia County Development Authority, Morgantown, Monongalia County, West Virginia (“MCDA”), a West Virginia Public Corporation, and the City of Morgantown, Morgantown, Monongalia County, West Virginia (“City”), a Municipal Corporation.

WHEREAS, the MCDA has applied to the United States Army Corps of Engineers (Corps) for a Department of the Army Clean Water Act Section 404 permit in connection with the construction of the Morgantown Municipal Airport Access Road; and

WHEREAS, the MCDA submitted, in conjunction with its permit application, a mitigation plan to compensate for unavoidable losses of waters of the United States. The mitigation plan will become a term and condition of MCDA’s permit, and is attached hereto and fully incorporated herein (Mitigation Plan) as Exhibit A; and

WHEREAS, the City has agreed to fully implement and execute the Mitigation Plan for MCDA; and

WHEREAS, prior to making a permit decision, , the Corps has requested that MCDA and the City demonstrate that the City accepts the responsibility for the Mitigation Plan, including to the extent required, the maintenance, repair and/or replacement of the Mitigation Plan features, in whole or in part, including the replacement of the acid mine drainage treatment facility and

WHEREAS, the Corps has requested that the MCDA and/or the City demonstrate the financial capacity to fund the cost of maintaining the mitigation project at an average of \$10,000 per year; and

WHEREAS, the City of Morgantown will annually place \$10,000 in a Capital Reserve Fund, held and established by the City for this purpose; and

WHEREAS, the MCDA will advance the funding in the amount of \$10,000 per year to the City to fund implementation and execution of the Mitigation Plan if, for any unforeseen reason, the City is unable to fund the requirements of the Mitigation Plan in a given year.

NOW, THEREFORE, the MCDA and City agree as follows:

- (1) That the attached April 17, 2013 letter from the Morgantown City Manager to Jon T. Coleman, Regulatory Project Manager, United States Army Corps of Engineers, accurately reflects the commitment of both the City and the MCDA to the “mitigation project” at issue as set forth herein; and

- (2) That should it be necessary for the MCDA to advance the City funding, as set forth in the aforementioned April 17, 2013 letter, the City will return the advanced money to the MCDA within the fiscal year of the City that the advance occurs; and
- (3) This Agreement contains the entire understanding and agreement of the MCDA and City. To the extent that this Agreement and the April 17, 2013 letter from the Morgantown City Manager to Jon T. Coleman, Regulatory Project Manager, United States Army Corps of Engineers conflict, this Agreement controls; and
- (4) The City and MCDA represent and warrant that by executing this Agreement, each has the requisite power and authority to enter into this Agreement, and that this Agreement has been duly authorized and approved by the City and MCDA;
- (5) This Agreement may be modified upon the mutual agreement of the Parties. The Corps shall be notified within 30 days of any modification to the Agreement.
- (5) This Agreement shall at all times be governed by the laws of the state of West Virginia.

MONONGALIA COUNTY
DEVELOPMENT AUTHORITY

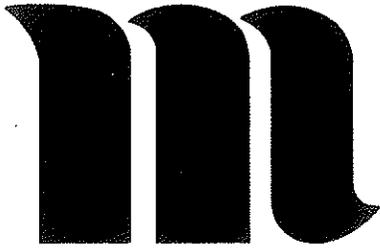
CITY OF MORGANTOWN

By: _____

By: _____

Its: President

Its: City Manager



The City of Morgantown

389 SPRUCE STREET
MORGANTOWN, WEST VIRGINIA 26505
(304) 284-7405 TDD (304) 284-7512

OFFICE OF CITY MANAGER

April 17, 2013

Jon T. Coleman, Regulatory Project Manager
United States Army Corp of Engineers
Pittsburgh District
1000 Liberty Avenue
Pittsburgh, PA 15222-4186

Re: Morgantown Municipal Airport Access Road

Dear Mr. Coleman:

This correspondence is being provided as a result of discussions and understandings between the City of Morgantown, Morgantown, West Virginia ("City"), the Monongalia County Development Authority, ("MCDA"), the United States Army Corp of Engineers ("ACOE") and the West Virginia Department of Environmental Protection ("WVDEP"). As part of the Morgantown Municipal Airport Access Road, the City has submitted a certain plan in connection with the 404 and the 401 permits for water quality certification and mitigation associated with acid mine drainage ("AMD") (collectively referred to in this correspondence as the "mitigation project").

Please accept this correspondence as confirmation by the City of Morgantown, of its understanding and acceptance of responsibility for the operation and maintenance of the mitigation project on an ongoing basis, including to the extent required, for the maintenance, repair and/or replacement of the project in whole or in part. This acceptance by the City of responsibility includes the replacement of the treatment facility should the acid mine drainage project fail.

The engineers for the project estimate that the ongoing annual cost of maintaining the project will be an average of approximately Ten Thousand Dollars (\$10,000) per year, which will be placed in a Capital Reserve Fund held and established by the City for this purpose. The City will re-evaluate the Capital Reserve Fund for the project annually and will adjust the funds accordingly as necessary.

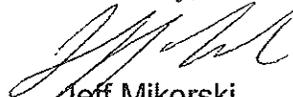
If necessary, the MCDA agrees to advance to the City the funding of the annual maintenance cost estimated to be Ten Thousand Dollars (\$10,000) per year. The MCDA has represented to the City that it has the necessary approvals and authority to perform this agreement.

Coleman, Jon T.
April 17, 2013
Page 2

The City of Morgantown represents that by signing below that it has the authority to commit to the representations and responsibilities set forth herein.

If you have any questions or wish to discuss this matter further, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Mikorski", written in a cursive style.

Jeff Mikorski,
City Manager