JOURNAL of the PROCEEDINGS
of the
CITY COUNCIL

CITY OF CHARLESTON, WEST VIRGINIA

Regular Meeting – Monday, July 6, 2026

at 7:00 P.M.

Council Chambers – City Hall – Charleston, West Virginia

OFFICIAL RECORD

Amy Shuler Goodwin
Mayor

CALL TO ORDER*

first meeting in the mc

Miles C. Cary II
City Clerk

year 2026, and was called to order by the Honorable Mayor, Amy Shuler Goodwin. The invocation was delivered by Councilmember Overstreet, and the Pledge of Allegiance was led by Councilmember Taylor. City Clerk, Miles C. Cary II, called the roll of members and it was found that there were present at the time:

ANNIE		
CEPERLEY	**COOK**	**FAEGRE**
FERRELL	**GARDNER**	**GIANOLA**
HAAS	**HOOVER**	**JENKINS**
JONES	**KERNS**	**KING**
MOORE	**OVERSTREET**	**PEPPER**
PHARR	**ROBINSON**	**RUBIO**
SALANGO	**SNODGRASS**	**SOLOMON**
STEELHAMMER	**TAYLOR**	**MAYOR GOODWIN**

With twenty-five members being present, the Mayor declared a quorum present.

Pending the reading of the Journal of the previous meeting, the reading thereof was dispensed with and the same duly approved.

PUBLIC SPEAKERS

Paul Monroe – Spoke about the Kanawha County Commission.

CLAIMS

1. A claim of Joseph Ray Burford, Charleston, WV; alleges damage to vehicle.

2. A claim of Jessica Robinson, Charleston, WV; alleges damage to vehicle.

3. A claim of Willie Kyle Stollings, Charleston, WV; alleges damage to vehicle.

PROCLAMATIONS

None

COMMUNICATIONS

None

REPORTS OF COMMITTEES

COMMITTEE ON FINANCE

Councilmember Jenkins, Chair of the Council Committee on Finance, submitted the following reports:

1. Your committee on Finance has had under consideration the following resolution, and reports the same to Council with the recommendation that Resolution No. 26-076 be adopted.

Resolution No. 26-076 - Authorizing the Mayor or City Manager to enter into a one-year open-ended contract with Smith Concrete for the purchase of various classes of cement at the following rates that were determined pursuant to a competitive bidding process:

Class A - $204.90 per ton
Class B - $201.90 per ton
Class C - $198.90 per ton
Class D - $195.90 per ton
Flow-able Fill - $189.90 per ton

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor or City Manager is authorized to enter into a one-year open-ended contract with Smith Concrete for the purchase of various classes of cement at the following rates that were determined pursuant to a competitive bidding process:

Class A - $204.90 per ton
Class B - $201.90 per ton
Class C - $198.90 per ton
Class D - $195.90 per ton
Flow-able Fill - $189.90 per ton

Councilmember Jenkins moved to approve the resolution. Councilmember Ceperley seconded the motion. With members present recorded thereon as voting unanimously in the affirmative, the Mayor declared Resolution No. 26-076 adopted.

2. Your committee on Finance has had under consideration the following resolution, and reports the same to Council with the recommendation that Resolution No. 26-077Committee Substitute be adopted.

Resolution No. 26-077 - A resolution supplementing Ordinance No. 8056, passed by the Council of The City of Charleston, West Virginia, on June 16, 2025; which supplemented Ordinance No. 4423 passed by the Council of The City of Charleston, West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the Council on November 6, 1989, by Ordinance No. 4954 passed by the Council on May 3, 1993, by Ordinance No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the Council on June 2, 1997, by Ordinance No. 6532 passed by the Council on November 16, 1998, by Ordinance No. 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the Council on February 5, 2001, by Ordinance No. 6777 passed by the Council on March 19, 2001, by Ordinance No. 6948 passed by the Council on November 4, 2002, by Ordinance No. 6977 passed by the Council on May 19, 2003, by Ordinance No. 7132 passed by the Council on March 7, 2005, by Ordinance No. 7490 passed by the Council on September 6, 2011, by Ordinance No. 7560 passed by the Council on February 19, 2013, by Ordinance No. 7680 passed by the Council on February 16, 2016, and by Ordinance No. 7866, passed by the Council of The City of Charleston, West Virginia, on February 18, 2020; authorizing the design, acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of The City of Charleston; authorizing the issuance of not more than $30,000,000 in aggregate principal amount of Sewerage System Revenue Bonds, in one or more series as designated in a supplemental resolution, of The City of Charleston, the proceeds of which, shall be used, along with other funds and moneys of, or available to, The City of Charleston which may be lawfully expended for such purposes, to permanently finance the cost of such design, acquisition and construction, to fund reserve accounts for such bonds and to pay other costs in connection therewith; providing for the rights and remedies of and security for the registered owners of such bonds; and adopting other provisions related thereto.

WHEREAS, the Council (the "Council") of The City of Charleston, West Virginia (the "City"), on June 16, 2025, adopted Ordinance No. 8056, (the "Ordinance"), authorizing the issuance of The City of Charleston Sewerage System Revenue Bonds (the "Bonds"), in an aggregate principal amount not to exceed $30,000,000, in one or more series, to permanently finance the cost of design, acquisition and construction of certain extensions, additions, betterments and improvements to the sewerage system of the City (the "Project");

WHEREAS, due to the delay in receiving satisfactory bids for the Project, it is necessary for the Council to redesignate the Bonds authorized by the Ordinance adopted June 16, 2025 and hereinafter shall be referred to as the "Series 2026 A Bonds" (the "Series 2026 A Bonds");

WHEREAS, the Council, on July 7, 2025, adopted a Supplemental Resolution (the "First Supplemental Resolution"), following a public hearing at which no significant reasons were presented that would require modification of the Ordinance and no written protest with regard thereto was filed by 30 percent or more of the freeholders of the City;

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

WHEREAS, the Ordinance provides for the issuance of the Bonds, all in accordance with the Act, and further provides that the exact principal amount, series designation, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of and matters relating to, the Bonds should be established by a supplemental resolution or supplemental resolutions;

WHEREAS, the Bonds are proposed to be purchased by the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Department of Environmental Protection (the "DEP") pursuant to the West Virginia Clean Water SRF Program pursuant to the terms and conditions set forth under a Loan Agreement by and among the City, the Authority and the DEP (the "Loan Agreement");

WHEREAS, the Ordinance provides for a reserve account for the Series 2026 A Bonds (the "Series 2026 A Bonds Reserve Account") each held by the West Virginia Municipal Bond Commission (the "Bond Commission") to secure the payment of the principal of, and interest on, the Series 2026 A Bonds, respectively;

WHEREAS, the Ordinance provides that the Series 2026 A Bonds Reserve Account may be funded with a municipal bond debt service reserve insurance policy (a "Debt Service Reserve Insurance Policy"), or surety bond, letter of credit or similar financial instrument (each known as a "Reserve Fund Credit Instrument"), in an amount either equal to, or lesser than, the respective reserve requirements for the

Series 2026 A Bonds;

WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt Service Reserve Insurance Policy to the Series 2026 A Bonds Reserve Account (i) is a more financially advantageous method to satisfy the Series 2026 A Bonds Reserve Requirement; and (ii) will allow the monies currently on deposit in the Series 2026 A Bonds Reserve Account, if any, which remain after the payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses related thereto, to be used for the design, acquisition, construction and equipping of capital additions, betterments and improvements for the System;

WHEREAS, Build America Mutual Assurance Company ("BAM") has agreed to provide to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2026 A Bonds, substantially in the form attached hereto as "Exhibit A" and incorporated herein by reference (the "Series 2026 A Bonds Debt Service Reserve Insurance Commitment"), whereby BAM agrees, subject to certain conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2026 A Bonds Debt Service Reserve Account in an amount equal to the respective Series 2026 A Bonds Reserve Requirement (the "Series 2026 A Bonds Debt Service Reserve Insurance Policy");

WHEREAS, the Series 2026 A Bonds Debt Service Reserve Insurance Commitment includes a form of "Debt Service Reserve Agreement" by and between the Issuer and BAM (the "Series 2026 A Bonds Debt Service Reserve Agreement") which provides, in part, that any payments made, or Policy Costs incurred, by BAM pursuant to the Series 2026 A Bonds Debt Service Reserve Insurance Policy shall be repaid to BAM by the Issuer pursuant to the terms of the Series 2026 A Bonds Debt Service Reserve Agreement;

WHEREAS, the Council wishes to delegate to the Mayor the authority to approve, within the parameters set forth herein and in the Ordinance, the final terms of the Bonds and all provisions of all documents relating to the Bonds (the "Bond Documents"), without the requirement of further official action by this Council; and

WHEREAS, the Council deems it essential and desirable that this resolution (the "Second Supplemental Resolution") be adopted, that the Loan Agreement be entered into by the City, that parameters be established for the exact principal amount, series designation, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds in the manner stated herein, and that other matters relating to the Bonds be herein provided for.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CHARLESTON:

Section 1. The Ordinance was put into effect on July 7, 2025 and the Bonds contemplated thereby shall be issued, all as provided in the Ordinance, the First Supplemental Resolution, and this Second Supplemental Resolution. Due to timing, the Council hereby redesignates the "Series 2025 Bonds" authorized by the Ordinance adopted June 16, 2025 as the "Series 2026 A Bonds";

Section 2. Pursuant to the Ordinance, the Act and the First Supplemental Resolution, this Second Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued The City of Charleston Sewerage System Revenue Bonds, Series 2026 A (West Virginia CWSRF Program) (the "Bonds") in the aggregate principal amount of $18,425,960 which will be initially represented by a single bond, numbered AR-1. The Bonds shall be dated the date of delivery, shall finally mature on June 1, 2046, and shall bear interest at a rate of 2.75% per annum. The principal of and interest on the Bonds shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing June 1, 2028, in the amounts as set forth in the Schedule Y attached to the Loan Agreement and incorporated in and made a part of the Bonds. The City hereby approves and shall pay the SRF

Administrative Fee equal to 0.25% annually of the principal amount of the Bonds set forth in the Schedule Y attached to the Loan Agreement. The SRF Administrative Fee shall be considered Operating Expenses of the City (Sanitary Board). The Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the Registered Owner of the Bonds.

Section 3. All other provisions relating to the Bonds shall be as provided in the Ordinance. The text of the Bonds shall be in substantially the form provided in the Ordinance. The execution of the Bonds by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 4. The Loan Agreement for the Bonds by and among the Authority, the City, and the DEP, substantially in the form to be attached hereto as Exhibit A, and the execution and delivery (in multiple counterparts) by the Mayor shall be and the same are hereby authorized, approved, ratified and directed. The Mayor is authorized to execute and deliver the Loan Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Loan Agreement by the Mayor shall be conclusive evidence of any approval required by this Section, and authorization of any action required by the Loan Agreement relating to the issuance and sale of the Bonds. The City hereby affirms all covenants and representations made in the Loan Agreement and in the application to the DEP and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

Section 5. The City hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Commission"), as the Paying Agent for the Bonds.

Section 6. The City hereby appoints United Bank, Charleston, West Virginia (the "Registrar"), as the Registrar for the Bonds. The City hereby appoints JPMorgan Chase Bank, N.A. Charleston, West Virginia (the "Depository Bank") as the Depository Bank for the Revenue Fund and the Bonds Construction Fund. The City approves and accepts the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the City and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein on behalf of the City, are hereby authorized, directed and approved. The City hereby approves the payment of the Registrar fee.

Section 7. The Bonds shall be issued on a parity with the First Lien Bonds with respect to liens, pledge and source of and security for payment and in all respects. The Bonds shall be secured by a first lien on the Net Revenues derived from the System on a parity with the First Lien Bonds but senior and superior to the Second Lien Bonds.

Section 8. Bonds proceeds in the amount of $-0- shall be deposited in the Series 2026 A Bonds Sinking Fund as capitalized interest.

Section 9. Bonds proceeds in the amount of $-0- shall be deposited in the Series 2026 A Bonds Reserve Account. The City will purchase the Series 2026 A Bonds Debt Reserve Insurance Policy from Build America Mutual ("BAM") in lieu of funding the Series 2026 A Bonds Reserve Account.

Section 10. The Council hereby approves as the first draw on the Bonds, $50,650.00, for deposit into the Series 2026 A Bonds Reserve Account and to pay the costs set forth in the SRF Payment Requisition Form, attached hereto as Exhibit B and incorporated herein by reference, and further finds and determines (A) that none of the items for which payment is proposed to be made has formed the basis for any disbursement theretofore made; (B) that each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project; (C) that each of such costs has been otherwise properly incurred; and (D) that payment for each of the items proposed is now due and owing. The Council hereby authorizes and directs the Sanitary Board to review and approve future invoices for the Project and direct the payment from Bonds proceeds.

Section 11. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents, agreements and certificates required or desirable in connection with the Bonds. The City hereby approves and accepts all contracts or agreements relating to the financing, design, acquisition and construction of the Project and hereby authorizes the Sanitary Board to enter into all contracts or agreements relating to the design, acquisition and construction of the Project. The Manager of the Sanitary Board and any other authorized representatives are hereby authorized to execute all pay requests with respect to the Bonds.

Section 12. The design, acquisition and construction of the Project and the financing thereof with proceeds of the Bonds are in the public interest, serve a public purpose of the City and will promote the health, welfare and safety of the residents of the City.

Section 13. The City hereby determines to invest all moneys in the funds and accounts established by the Ordinance held by the Depository Bank until expended, in Money Market accounts secured by a pledge of Government Obligations, and therefore, the City hereby directs the Depository Bank to invest all moneys in such Money Market accounts until further directed in writing by the Sanitary Board. Moneys in the Series 2026 A Bonds Sinking Fund and the Series 2026 A Bonds Reserve Account shall be invested by the Commission in the West Virginia Consolidated Fund.

Section 14. The Bond Ordinance is hereby amended and modified by adding a new Section 4.07 in the Bond Ordinance as set forth below:

Section 4.07. Reserve Fund Credit Instrument. In lieu of or in addition to cash or investments, at any time the Issuer may, with the prior written consent of the Registered Owners of the Series 2026 A Bonds, cause to be deposited with the Commission and pledged to the Series 2026 A Bonds Reserve Account any form of Reserve Fund Credit Instrument, in the amount of the Series 2026 A Bonds Reserve Requirements, or as such lesser amount, irrevocably payable to the Commission as beneficiary for the Registered Owners of the Series 2026 A Bonds. In the event the Series 2026 A Bonds Reserve Account is initially funded, in whole or in part, with proceeds of the Series 2026 A Bonds, or from monthly payments from Net Revenues of the System by the Issuer, the Issuer may deposit a Reserve Fund Credit Instrument to replace all or any portion of the monies on deposit in the Series 2026 A Bonds Reserve Account and any monies then on deposit in the Series 2026 A Bonds Reserve Account, and required to be on deposit therein, shall be returned to the Issuer and used to pay the costs of delivering such Reserve Fund Credit Instrument and/or to pay the costs of design, acquisition, construction and equipping of capital additions, betterments and improvements for the System. The term "Reserve Fund Credit Instrument" shall mean any municipal bond debt service reserve insurance policy, surety bond, letter of credit or similar financial instrument that the Issuer deposits with the Commission and pledges to the Series 2026 A Bonds Reserve Account.

(1) Any such Reserve Fund Credit Instrument shall be payable to the Commission as beneficiary for the Registered Owners of the Series 2026 A Bonds, shall have a term of no less than one (1) year and shall be payable (upon the giving of such notice as may be required thereunder) (i) on any date on which moneys are

required to be withdrawn from the Series 2026 A Bonds Reserve Account due to insufficient amounts in the applicable funds and accounts held by the Commission with respect to the Series 2026 A Bonds when needed to pay debt service on such Bonds or (ii) on a date not more than ten (10) days prior to the expiration date of the Reserve Fund Credit Instrument in the event the Issuer has not satisfied any of the requirements for a Reserve Fund Credit Instrument for which the expiration date is not coterminous with the Series 2026 A Bonds set forth in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated expiration date of such Reserve Fund Credit Instrument for any Reserve Fund Credit Instrument that is not conterminous with the final maturity date of the Series 2026 A Bonds, the Issuer shall either (i) provide for delivery of a replacement Reserve Fund Credit Instrument which satisfies the requirements of this Section 4.07, (ii) deliver an extension of the Reserve Fund Credit Instrument for a term of not less than one (1) year, or (iii) deposit cash in the Series 2026 A Bonds Reserve Account in an amount which satisfied the requirements of this Section 4.07. Upon delivery of a replacement Reserve Fund Credit Instrument, the Commission shall deliver the then-effective Reserve Fund Credit Instrument to, or at the direction of, the Issuer.

(2) In the event the Commission draws upon a Reserve Fund Credit Instrument, the Issuer shall pay to the provider thereof, from the Revenue Fund in accordance with the priority for funding of all reserve accounts from Net Revenue set forth in Section 4.05 hereof, all principal and interest and expenses payable thereto under the terms of the applicable Reserve Fund Credit Instrument. This Bond Ordinance shall not be terminated until all such amounts are paid in full.

(3) The Commission shall maintain adequate records of (i) the amount available to be drawn at any time under any Reserve Fund Credit Instrument; and (ii) the amounts paid and payable by the Issuer to the provider thereof.

(4) In the event the Series 2026 A Bonds Reserve Account is, at any time, only partially funded by a Reserve Fund Credit Instrument and the Commission is required to withdraw any monies from the Series 2026 A Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 2026 A Bonds Reserve Account until such cash or investments are exhausted and, thereafter, draw on said Reserve Fund Credit Instrument, and (ii) reimburse the provider of said Reserve Fund Credit Instrument an amount equal to the aggregate amount drawn on such Reserve Fund Credit Instrument (including any interest accrued on any amount drawn under said Reserve Fund Credit Instrument) before replenishing the cash or investments in order to restore said Series 2026 A Bonds Reserve Account to the Series 2026 A Bonds Reserve Requirements.

Section 15. The Bond Ordinance is hereby amended and modified by adding a new Section 6.28 in the Bond Ordinance as set forth below:

Section 6.28. Provisions related to Build America Mutual Assurance Company Municipal Bond Debt

Service Reserve Insurance Policy.

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in this Bond Ordinance the Issuer agrees to comply, and hereby authorizes and instructs the Commission, as Paying Agent, to comply with the following provisions:

(a) The Issuer shall repay any draws under the Municipal Bond Debt Service Reserve Insurance Policy (the "Reserve Policy") and pay all related reasonable expenses incurred by BAM (the "Reserve Insurer"). Interest shall accrue and be payable on such draws and expenses from the date of payment by the Reserve Insurer at the Late Payment Rate. "Late Payment Rate" means the lesser of (A) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Series 2026 A Bonds, and (B) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as the Reserve Insurer in its sole and absolute discretion shall specify.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Reserve Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Reserve Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the Series 2026 A Bonds Reserve Account and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the respective Series 2026 A Bonds Sinking Fund for payment of the debt service on the applicable Series 2026 A Bonds before any drawing may be made on the Reserve Policy or any other credit facility on deposit in the Series 2026 A Bonds Reserve Account in lieu of cash ("Reserve Fund Credit Instrument").

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Fund Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Series 2026 A Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Fund Credit Instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2026 A Bonds Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Fund Credit Instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the reserve requirement of the Series 2026 A Bonds, if any.

(b) Draws under the Reserve Policy may only be used to make payments on Series 2026 A Bonds covered under the Reserve Policy.

(c) If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of paragraph (a) above, the Reserve Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this Bond Ordinance, Loan Agreement, or any other document executed in connection with the Series 2026 A Bonds (collectively, the "Security Documents").

(d) The Security Documents shall not be discharged until all Policy Costs owing to the Reserve Insurer shall have been paid in full. The Issuer's obligation to pay such amount shall expressly survive payment in full of the Series 2026 A Bonds.

(e) The Reserve Policy shall expire and terminate in accordance with the terms and provisions of the Reserve Policy and Debt Service Reserve Agreement.

(f) Any amendment, supplement, modification to, or waiver of any of the Security Documents that requires the consent of the Registered Owners of the Bonds or adversely affects the rights or interest of the Reserve Insurer shall be subject to the prior written consent of the Reserve Insurer.

(g) The Reserve Insurer is recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce the provisions of the Security Documents as if it were a party thereto.

(h) Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test and the rate covenant in the Security Documents.

(i) The Commission shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (a) hereof and shall provide notice to the Reserve Insurer in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Series 2026 A Bonds and a draw on the Reserve Policy is anticipated to make such payment. Where deposits are required to be made by the Issuer with the Commission to the debt service fund for the respective Series 2026 A Bonds more often than semi-annually, the Commission shall give notice to the Reserve Insurer of any failure of the Issuer to make timely payment in full of such deposits within two business days of the date due.

(j) The Issuer agrees unconditionally that it will pay or reimburse the Reserve Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that the Reserve Insurer may pay or incur, including, but not limited to, fees and expenses of the Reserve Insurer's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Bond Ordinance or any other Security Document ("Administrative Expenses"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of the Reserve Insurer spent in connection with the actions described in the preceding sentence. The Issuer agrees that failure to pay any Administrative Expenses on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to the Reserve Insurer until the date the Reserve Insurer is paid in full.

(k) Payments made by the Reserve Insurer under the Reserve Policy with respect to claims for interest on or principal of the Series 2026 A Bonds shall not discharge the obligation of the Issuer with respect to such Series 2026 A Bonds, and BAM shall become the owner of such unpaid Series 2026 A Bonds and claims for the interest thereon. The Issuer and the Commission recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 2026 A Bonds, the Reserve Insurer will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon.

(l) In order to secure the Issuer's payment obligations with respect to Policy Cost, there is hereby granted and perfected in favor of the Reserve Insurer a security interest (subordinate only to that of the owners of the Series 2026 A Bonds) in all revenues and collateral pledged as security for the Series 2026 A Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Series 2026 A Bonds and all Parity Bonds, including following the occurrence of a default or event of default.

(m) Notice and Other Information to be given to the Reserve Insurer.

(1) The Issuer will provide the Reserve Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the Registered Owners of the Series 2026 A Bonds under the Security Documents.

(2) In addition, the Issuer shall provide the Reserve Insurer with the following notices and other information: (i) notice of any draw upon a Series 2026 A Bonds Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Series 2026 A Bonds Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 2026 A Bonds, including the principal amount, maturities and CUSIP numbers thereof, if any.

(3) The Reserve Insurer shall be entitled to receive such additional information as it may reasonably request.

(4) The notice address of Reserve Insurer is:

Build America Mutual Assurance Company 28 Liberty Street, 59th Floor
New York, NY 10005
Attention: Surveillance, Re: Policy No. _____________
Telephone: (212) 235-2500
Telecopier: (212) 962-1710
Email: notices@buildamerica.com

In each case in which notice or other communication refers to an event of default or a claim on the Reserve Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 962-1624 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

Section 16. The Issuer hereby accepts, approves and ratifies the Series 2026 A Bonds Debt Service Reserve Insurance Commitment and the form of the Series 2026 A Bonds Debt Service Reserve Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby authorize the Mayor and City Clerk to execute such documents and to take any and all actions required to consummate the transactions contemplated therein, specifically including, but not limited to, (i) the purchase, and pledge to the Series 2026 A Bonds Reserve Account, of the Series 2026 A Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 2026 A Bonds Reserve Account, if any; and (iii) the payment of the costs associated with actions authorized in this Second Supplemental Resolution, specifically including, but not limited to, the premium for the Series 2026 A Bonds Debt Service Reserve Insurance Policy.

Section 17. The City hereby approves the cost of issuance and cost of the Series 2026 A Bonds Debt Service Reserve Insurance Policy and authorizes the payment of the same.

Section 18. This Second Supplemental Resolution shall take effect immediately upon adoption hereof.

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CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of The City of Charleston on the 24th day of July, 2026.

Dated: ___________, 2026.

[SEAL]

____
City Clerk

Councilmember Jenkins added that the resolution is related to the Magazine Branch Charleston Sanitary Board Sewer Improvement Project. It will authorize a new issuance for just over $18 million.

Councilmember Jenkins moved to approve the resolution. Councilmember Ceperley seconded the motion. With members present recorded thereon as voting unanimously in the affirmative, the Mayor declared Resolution No. 26-077 adopted.

3. Your committee on Finance has had under consideration the following resolution, and reports the same to Council with the recommendation that Resolution No. 26-078 be adopted.

<u>Resolution No. 26-078</u> - A resolution supplementing Ordinance No. 7866, passed by the Council of The City of Charleston, West Virginia, on February 18, 2020; which supplemented Ordinance No. 4423 passed by the Council of The City of Charleston, West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the Council on November 6, 1989, by Ordinance No. 4954 passed by the Council on May 3, 1993, by Ordinance No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the Council on June 2, 1997, by Ordinance No. 6532 passed by the Council on November 16, 1998, by Ordinance No. 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the Council on February 5, 2001, by Ordinance No. 6777 passed by the Council on March 19, 2001, by Ordinance No. 6948 passed by the Council on November 4, 2002, by Ordinance No. 6977 passed by the Council on May 19, 2003, by Ordinance No. 7132 passed by the Council on March 7, 2005, by Ordinance No. 7490 passed by the Council on September 6, 2011, by Ordinance No. 7560 passed by the Council on February 19, 2013; authorizing the design, acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of The City of Charleston; authorizing the issuance of not more than $16,000,000 in aggregate principal amount of Sewerage System Revenue Bonds, in one or more series as designated in a supplemental resolution, of The City of Charleston, the proceeds of which, shall be used, along with other funds and moneys of, or available to, The City of Charleston which may be lawfully expended for such purposes, to permanently finance the cost of such design, acquisition and construction, to fund reserve accounts for such bonds and to pay other costs in connection therewith; providing for the rights and remedies of and security for the registered owners of such bonds; and adopting other provisions related thereto.

WHEREAS, the Council (the "Governing Body") of The City of Charleston (the "Issuer") duly passed a Bond Ordinance on February 18, 2020, effective April 20, 2020, as amended and modified by a Supplemental Resolution, duly and officially adopted on April 20, 2020 (collectively, the "Bond Ordinance"), which provided for the issuance of The City of Charleston Sewerage System Revenue Bonds, Series 2020 A (West Virginia CWSRF Program), in the total aggregate principal amount of $12,859,975 (the “Series 2020 A Bonds”);

WHEREAS, the Bond Ordinance provides that the Series 2020 A Bonds are sewer revenue bonds issued pursuant to West Virginia Code 16-13-1 *et seq*., (the “Act’) for the benefit of the Issuer’s sewerage treatment and collection system (the “Sewer System”) and, in the case of the Series 2020 A Bonds, secured by the Net Revenues of the Sewer System;

WHEREAS, the Bond Ordinance provides for a reserve account for the Series 2020 A Bonds (the “Series 2020 A Bonds Reserve Account”) each held by the West Virginia Municipal Bond Commission (the “Bond Commission”) to secure the payment of the principal of, and interest on, the Series 2020 A Bonds, respectively;

WHEREAS, the Bond Ordinance provides that the Series 2020 A Bonds Reserve Account may be funded with a municipal bond debt service reserve insurance policy (a "Debt Service Reserve Insurance Policy"), or surety bond, letter of credit or similar financial instrument (each known as a "Reserve Fund Credit Instrument"), in an amount either equal to, or lesser than, the respective reserve requirements for the Series 2020 A Bonds;

WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt Service Reserve Insurance Policy to the Series 2020 A Bonds Reserve Account (i) is a more financially advantageous method to satisfy the Series 2020 A Bonds Reserve Requirement; and (ii) will allow the monies currently on deposit in the Series 2020 A Bonds Reserve Account, if any, which remain after the payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses related thereto, to be used for the design, acquisition, construction and equipping of capital additions, betterments and improvements for the System;

WHEREAS, Build America Mutual Assurance Company ("BAM") has agreed to provide to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2020 A Bonds, substantially in the form attached hereto as "Exhibit A" and incorporated herein by reference (the "Series 2020 A Bonds Debt Service Reserve Insurance Commitment"), whereby BAM agrees, subject to certain conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2020 A Bonds Debt Service Reserve Account in an amount equal to the respective Series 2020 A Bonds Reserve Requirement (the "Series 2020 A Bonds Debt Service Reserve Insurance Policy");

WHEREAS, the Series 2020 A Bonds Debt Service Reserve Insurance Commitment includes a form of "Debt Service Reserve Agreement" by and between the Issuer and BAM (the "Series 2020 A Bonds Debt Service Reserve Agreement") which provides, in part, that any payments made, or Policy Costs incurred, by BAM pursuant to the Series 2020 A Bonds Debt Service Reserve Insurance Policy shall be repaid to BAM by the Issuer pursuant to the terms of the Series 2020 A Bonds Debt Service Reserve Agreement;

WHEREAS, the West Virginia Water Development Authority (the "WDA") on behalf of the West Virginia Department of Environmental Protection initially purchased, and remains the sole Registered Owner of, the Series 2020 A Bonds;

WHEREAS, Section 8.1 Bond Ordinance provides that written consent of the Registered Owners of the Series 2020 A Bonds to amendment or modification of the Bond Ordinance is required prior to any such amendment or modification;

WHEREAS, the WDA, as sole Registered Owner of the Series 2020 A Bonds, has agreed to the amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance Policy and a pledge of the Series 2020 A Bonds Debt Service Reserve Insurance Policy to fund the Series 2020 A Bonds Reserve Account as provided in this Second Supplemental Resolution;

WHEREAS, the Issuer desires to purchase, and pledge to the Series 2020 A Bonds Reserve Account, the

Series 2020 A Bonds Debt Service Reserve Insurance Policy in the amount of the respective Reserve Requirements for the Series 2020 A Bonds, and for the monies on deposit in the Series 2020 A Bonds Reserve Account, if any, to be released to the Issuer and used as provided herein; and

WHEREAS, the Governing Body deems it essential and desirable that this Second Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth below.

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

Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section 4.07 in the Bond Ordinance as set forth below:

Section 4.07. Reserve Fund Credit Instrument. In lieu of or in addition to cash or investments, at any time the Issuer may, with the prior written consent of the Registered Owners of the Series 2020 A Bonds, cause to be deposited with the Commission and pledged to the Series 2020 A Bonds Reserve Account any form of Reserve Fund Credit Instrument, in the amount of the Series 2020 A Bonds Reserve Requirements, or as such lesser amount, irrevocably payable to the Commission as beneficiary for the Registered Owners of the Series 2020 A Bonds. In the event the Series 2020 A Bonds Reserve Account is initially funded, in whole or in part, with proceeds of the Series 2020 A Bonds, or from monthly payments from Net Revenues of the System by the Issuer, the Issuer may deposit a Reserve Fund Credit Instrument to replace all or any portion of the monies on deposit in the Series 2020 A Bonds Reserve Account and any monies then on deposit in the Series 2020 A Bonds Reserve Account, and required to be on deposit therein, shall be returned to the Issuer and used to pay the costs of delivering such Reserve Fund Credit Instrument and/or to pay the costs of design, acquisition, construction and equipping of capital additions, betterments and improvements for the System. The term "Reserve Fund Credit Instrument" shall mean any municipal bond debt service reserve insurance policy, surety bond, letter of credit or similar financial instrument that the Issuer deposits with the Commission and pledges to the Series 2020 A Bonds Reserve Account.

(2) Any such Reserve Fund Credit Instrument shall be payable to the Commission as beneficiary for the Registered Owners of the Series 2020 A Bonds, shall have a term of no less than one (1) year and shall be payable (upon the giving of such notice as may be required thereunder) (i) on any date on which moneys are required to be withdrawn from the Series 2020 A Bonds Reserve Account due to insufficient amounts in the applicable funds and accounts held by the Commission with respect to the Series 2020 A Bonds when needed to pay debt service on such Bonds or (ii) on a date not more than ten (10) days prior to the expiration date of the Reserve Fund Credit Instrument in the event the Issuer has not satisfied any of the requirements for a Reserve Fund Credit Instrument for which the expiration date is not coterminous with the Series 2020 A Bonds set forth in (i), (ii) or (iii) below. Not less than three (3) months prior to any

stated expiration date of such Reserve Fund Credit Instrument for any Reserve Fund Credit Instrument that is not conterminous with the final maturity date of the Series 2020 A Bonds, the Issuer shall either (i) provide for delivery of a replacement Reserve Fund Credit Instrument which satisfies the requirements of this Section 4.07, (ii) deliver an extension of the Reserve Fund Credit Instrument for a term of not less than one (1) year, or (iii) deposit cash in the Series 2020 A Bonds Reserve Account in an amount which satisfied the requirements of this Section 4.07. Upon delivery of a replacement Reserve Fund Credit Instrument, the Commission shall deliver the then-effective Reserve Fund Credit Instrument to, or at the direction of, the Issuer.

(2) In the event the Commission draws upon a Reserve Fund Credit Instrument, the Issuer shall pay to the provider thereof, from the Revenue Fund in accordance with the priority for funding of all reserve accounts from Net Revenue set forth in Section 4.05 hereof, all principal and interest and expenses payable thereto under the terms of the applicable Reserve Fund Credit Instrument. This Bond Ordinance shall not be terminated until all such amounts are paid in full.

(3) The Commission shall maintain adequate records of (i) the amount available to be drawn at any time under any Reserve Fund Credit Instrument; and (ii) the amounts paid and payable by the Issuer to the provider thereof.

(4) In the event the Series 2020 A Bonds Reserve Account is, at any time, only partially funded by a Reserve Fund Credit Instrument and the Commission is required to withdraw any monies from the Series 2020 A Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 2020 A Bonds Reserve Account until such cash or investments are exhausted and, thereafter, draw on said Reserve Fund Credit Instrument, and (ii) reimburse the provider of said Reserve Fund Credit Instrument an amount equal to the aggregate amount drawn on such Reserve Fund Credit Instrument (including any interest accrued on any amount drawn under said Reserve Fund Credit Instrument) before replenishing the cash or investments in order to restore said Series 2020 A Bonds Reserve Account to the Series 2020 A Bonds Reserve Requirements.

<u>Section 3</u>. The Bond Ordinance is hereby amended and modified by adding a new Section 6.28 in the Bond Ordinance as set forth below:

<u>Section 6.28.</u> <u>Provisions related to Build America Mutual Assurance Company Municipal Bond Debt Service Reserve Insurance Policy.</u>

<u>With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in this Bond Ordinance the Issuer agrees to comply, and hereby authorizes and instructs the Commission, as Paying Agent, to comply with the following provisions:</u>

(n) The Issuer shall repay any draws under the Municipal Bond Debt Service Reserve Insurance Policy (the "Reserve Policy") and pay all related reasonable expenses incurred by BAM (the "Reserve Insurer").

Interest shall accrue and be payable on such draws and expenses from the date of payment by the Reserve Insurer at the Late Payment Rate. "Late Payment Rate" means the lesser of (A) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Series 2020 A Bonds, and (B) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as the Reserve Insurer in its sole and absolute discretion shall specify.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Reserve Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Reserve Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the Series 2020 A Bonds Reserve Account and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the respective Series 2020 A Bonds Sinking Fund for payment of the debt service on the applicable Series 2020 A Bonds before any drawing may be made on the Reserve Policy or any other credit facility on deposit in the Series 2020 A Bonds Reserve Account in lieu of cash ("Reserve Fund Credit Instrument").

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Fund Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Series 2020 A Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Fund Credit Instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2020 A Bonds Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Fund Credit Instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the reserve requirement of the Series 2020 A Bonds, if any.

(o) Draws under the Reserve Policy may only be used to make payments on Series 2020 A Bonds covered under the Reserve Policy.

(p) If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of paragraph (a) above, the Reserve Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this Bond Ordinance, Loan Agreement, or any other document executed in connection with the Series 2020 A Bonds (collectively, the "Security Documents").

(q) The Security Documents shall not be discharged until all Policy Costs owing to the Reserve Insurer shall have been paid in full. The Issuer's obligation to pay such amount shall expressly survive payment in full of the Series 2020 A Bonds.

(r) The Reserve Policy shall expire and terminate in accordance with the terms and provisions of the Reserve Policy and Debt Service Reserve Agreement.

(s) Any amendment, supplement, modification to, or waiver of any of the Security Documents that requires the consent of the Registered Owners of the Bonds or adversely affects the rights or interest of the Reserve Insurer shall be subject to the prior written consent of the Reserve Insurer.

(t) The Reserve Insurer is recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce the provisions of the Security Documents as if it were a party thereto.

(u) Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test and the rate covenant in the Security Documents.

(v) The Commission shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (a) hereof and shall provide notice to the Reserve Insurer in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Series 2020 A Bonds and a draw on the Reserve Policy is anticipated to make such payment. Where deposits are required to be made by the Issuer with the Commission to the debt service fund for the respective Series 2020 A Bonds more often than semi-annually, the Commission shall give notice to the Reserve Insurer of any failure of the Issuer to make timely payment in full of such deposits within two business days of the date due.

(w) The Issuer agrees unconditionally that it will pay or reimburse the Reserve Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that the Reserve Insurer may pay or incur, including, but not limited to, fees and expenses of the Reserve Insurer's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Bond Ordinance or any other Security Document ("Administrative Expenses"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of the Reserve Insurer spent in connection with the actions described in the preceding sentence. The Issuer agrees that failure to pay any Administrative Expenses on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to the Reserve Insurer until the date the Reserve Insurer is paid in full.

(x) Payments made by the Reserve Insurer under the Reserve Policy with respect to claims for interest on or principal of the Series 2020 A Bonds shall not discharge the obligation of the Issuer with respect to such Series 2020 A Bonds, and BAM shall become the owner of such unpaid Series 2020 A Bonds and claims for the interest thereon. The Issuer and the Commission recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 2020 A Bonds, the Reserve Insurer will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon.

(y) In order to secure the Issuer's payment obligations with respect to Policy Cost, there is hereby granted and perfected in favor of the Reserve Insurer a security interest (subordinate only to that of the owners of the Series 2020 A Bonds) in all revenues and collateral pledged as security for the Series 2020 A Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Series 2020 A Bonds and all Parity Bonds, including following the occurrence of a default or event of default.

(z) Notice and Other Information to be given to the Reserve Insurer.

(1) The Issuer will provide the Reserve Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the Registered Owners of the Series 2020 A Bonds under the Security Documents.

(2) In addition, the Issuer shall provide the Reserve Insurer with the following notices and other information: (i) notice of any draw upon a Series 2020 A Bonds Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Series 2020 A Bonds Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 2020 A Bonds, including the principal amount, maturities and CUSIP numbers thereof, if any.

(3) The Reserve Insurer shall be entitled to receive such additional information as it may reasonably request.

(4) The notice address of Reserve Insurer is:

Build America Mutual Assurance Company 28 Liberty Street, 59th Floor
New York, NY 10005
Attention: Surveillance, Re: Policy No. ___________
Telephone: (212) 235-2500
Telecopier: (212) 962-1710

Email: notices@buildamerica.com

In each case in which notice or other communication refers to an event of default or a claim on the Reserve Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 962-1624 and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

Section 4. The Issuer hereby accepts, approves and ratifies the Series 2020 A Bonds Debt Service Reserve Insurance Commitment and the form of the Series 2020 A Bonds Debt Service Reserve Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby authorize the Mayor and City Clerk to execute such documents and to take any and all actions required to consummate the transactions contemplated therein, specifically including, but not limited to, (i) the purchase, and pledge to the Series 2020 A Bonds Reserve Account, of the Series 2020 A Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 2020 A Bonds Reserve Account, if any; and (iii) the payment of the costs associated with actions authorized in this Second Supplemental Resolution, specifically including, but not limited to, the premium for the Series 2020 A Bonds Debt Service Reserve Insurance Policy.

Section 5. The Issuer shall use any funds released from the Series 2020 A Bonds Reserve Account as a result of pledging the Series 2020 A Bonds Debt Reserve Insurance Policy thereto for (i) paying costs associated with obtaining the Series 2020 A Bonds Debt Service Reserve Insurance Policy, specifically including, but not limited to, the premium paid to BAM for the Series 2020 A Bonds Debt Service Reserve Insurance Policy; (ii) paying costs of the Issuer’s Magazine Branch Project and to the extent additional funds are available (iii) paying costs of design, acquisition, construction and equipping of additions, betterments, and/or improvements to the System. Funds released from the Series 2020 A Bonds Reserve Account in the amount required to fully fund that Reserve Account shall be deposited into the Series 2026 A Bonds Project Account held at the Commission and expended within one and one half years. Any remaining balance in the Series 2020 A Bonds Reserve Account shall be transferred to the Issuer.

Section 6. The Mayor and City Clerk, and all other appropriate officers, employees and agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause to occur the actions provided for in this Second Supplemental Resolution, and no further authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such further assurance and do such further acts as may be legally required.

Section 7. This Second Supplemental Resolution shall be effective immediately following adoption hereof.

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CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of The City of Charleston on the ____ day of July, 2026.

Dated: ___________, 2026.

[SEAL]

____
City Clerk

Councilmember Jenkins added that added that the resolution and those that follow are related to the Magazine Branch Charleston Sanitary Board Sewer Improvement Project. They will restructure the existing bonds to add surety. This will free up approximately $6 million that can be used for the project. There is no rate hike associated with this and no City funds will be paying for this.

Councilmember Jenkins moved to approve the resolution. Councilmember Ceperley seconded the motion. With members present recorded thereon as voting unanimously in the affirmative, the Mayor declared Resolution No. 26-078 adopted.

4. Your committee on Finance has had under consideration the following resolution, and reports the same to Council with the recommendation that Resolution No. 26-079 be adopted.

Resolution No. 26-079 - A resolution supplementing Ordinance No. 7560, passed by the Council of The City of Charleston, West Virginia, on February 19, 2013; which supplemented Ordinance No. 4423 passed by the Council of The City of Charleston, West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the Council on November 6, 1989, by Ordinance No. 4954 passed by the Council on May 3, 1993, by Ordinance No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the Council on June 2, 1997, by Ordinance No. 6532 passed by the Council on November 16, 1998, by Ordinance No. 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the Council on February 5, 2001, by Ordinance No. 6777 passed by the Council on March 19, 2001, by Ordinance No. 6948 passed by the Council on November 4, 2002, by Ordinance No. 6977 passed by the Council on May 19, 2003, by Ordinance No. 7132 passed by the Council on March 7, 2005, by Ordinance No. 7490 passed by the Council on September 6, 2011; authorizing the design, acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of The City of Charleston; authorizing the issuance of $11,613,300 in aggregate principal amount of Sewerage System Revenue Bonds, Series 2013 A, of The City of Charleston, the proceeds of which, shall be used, along with other funds and moneys of, or available to, The City of Charleston which may be lawfully expended for such purposes, to permanently finance the cost of such design, acquisition and construction, to fund reserve accounts for such bonds and to pay other costs in connection therewith; providing for the rights and remedies of and security for the registered owners of such bonds; and adopting other provisions related thereto.

WHEREAS, the Council (the "Governing Body") of The City of Charleston (the "Issuer") duly passed a Bond Ordinance on February 19, 2013, effective March 4, 2013, as amended and modified by a Supplemental Resolution, duly and officially adopted on March 4, 2013 (collectively, the "Bond Ordinance"), which provided for the issuance of The City of Charleston Sewerage System Revenue Bonds, Series 2013 A (West Virginia CWSRF Program), in the total aggregate principal amount of $11,613,300 (the “Series 2013 A Bonds”);

WHEREAS, the Bond Ordinance provides that the Series 2013 A Bonds are sewer revenue bonds issued pursuant to West Virginia Code 16-13-1 *et seq*., (the “Act’) for the benefit of the Issuer’s sewerage treatment and collection system (the “Sewer System”) and, in the case of the Series 2013 A Bonds, secured by the Net Revenues of the Sewer System;

WHEREAS, the Bond Ordinance provides for a reserve account for the Series 2013 A Bonds (the “Series 2013 A Bonds Reserve Account”) each held by the West Virginia Municipal Bond Commission (the “Bond Commission”) to secure the payment of the principal of, and interest on, the Series 2013 A Bonds, respectively;

WHEREAS, the Bond Ordinance provides that the Series 2013 A Bonds Reserve Account may be funded with a municipal bond debt service reserve insurance policy (a "Debt Service Reserve Insurance Policy"), or surety bond, letter of credit or similar financial instrument (each known as a "Reserve Fund Credit Instrument"), in an amount either equal to, or lesser than, the respective reserve requirements for the Series 2013 A Bonds;

WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt Service Reserve Insurance Policy to the Series 2013 A Bonds Reserve Account (i) is a more financially advantageous method to satisfy the Series 2013 A Bonds Reserve Requirement; and (ii) will allow the monies currently on deposit in the Series 2013 A Bonds Reserve Account, if any, which remain after the payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses related thereto, to be used for the design, acquisition, construction and equipping of capital additions, betterments and improvements for the System;

WHEREAS, Build America Mutual Assurance Company ("BAM") has agreed to provide to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2013 A Bonds, substantially in the form attached hereto as "Exhibit A" and incorporated herein by reference (the "Series 2013 A Bonds Debt Service Reserve Insurance Commitment"), whereby BAM agrees, subject to certain conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2013 A Bonds Debt Service Reserve Account in an amount equal to the respective Series 2013 A Bonds Reserve Requirement (the "Series 2013 A Bonds Debt Service Reserve Insurance Policy");

WHEREAS, the Series 2013 A Bonds Debt Service Reserve Insurance Commitment includes a form of "Debt Service Reserve Agreement" by and between the Issuer and BAM (the "Series 2013 A Bonds Debt Service Reserve Agreement") which provides, in part, that any payments made, or Policy Costs incurred, by BAM pursuant to the Series 2013 A Bonds Debt Service Reserve Insurance Policy shall be repaid to BAM by the Issuer pursuant to the terms of the Series 2013 A Bonds Debt Service Reserve Agreement;

WHEREAS, the West Virginia Water Development Authority (the "WDA") on behalf of the West Virginia Department of Environmental Protection initially purchased, and remains the sole Registered Owner of, the Series 2013 A Bonds;

WHEREAS, Section 8.1 Bond Ordinance provides that written consent of the Registered Owners of the Series 2013 A Bonds to amendment or modification of the Bond Ordinance is required prior to any such amendment or modification;

WHEREAS, the WDA, as sole Registered Owner of the Series 2013 A Bonds, has agreed to the amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance Policy and a pledge of the Series 2013 A Bonds Debt Service Reserve Insurance Policy to fund the Series 2013 A Bonds Reserve Account as provided in this Second Supplemental Resolution;

WHEREAS, the Issuer desires to purchase, and pledge to the Series 2013 A Bonds Reserve Account, the Series 2013 A Bonds Debt Service Reserve Insurance Policy in the amount of the respective Reserve Requirements for the Series 2013 A Bonds, and for the monies on deposit in the Series 2013 A Bonds

Reserve Account, if any, to be released to the Issuer and used as provided herein; and

WHEREAS, the Governing Body deems it essential and desirable that this Second Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth below.

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

Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section 4.05 in the Bond Ordinance as set forth below:

Section 4.05. Reserve Fund Credit Instrument. In lieu of or in addition to cash or investments, at any time the Issuer may, with the prior written consent of the Registered Owners of the Series 2013 A Bonds, cause to be deposited with the Commission and pledged to the Series 2013 A Bonds Reserve Account any form of Reserve Fund Credit Instrument, in the amount of the Series 2013 A Bonds Reserve Requirements, or as such lesser amount, irrevocably payable to the Commission as beneficiary for the Registered Owners of the Series 2013 A Bonds. In the event the Series 2013 A Bonds Reserve Account is initially funded, in whole or in part, with proceeds of the Series 2013 A Bonds, or from monthly payments from Net Revenues of the System by the Issuer, the Issuer may deposit a Reserve Fund Credit Instrument to replace all or any portion of the monies on deposit in the Series 2013 A Bonds Reserve Account and any monies then on deposit in the Series 2013 A Bonds Reserve Account, and required to be on deposit therein, shall be returned to the Issuer and used to pay the costs of delivering such Reserve Fund Credit Instrument and/or to pay the costs of design, acquisition, construction and equipping of capital additions, betterments and improvements for the System. The term "Reserve Fund Credit Instrument" shall mean any municipal bond debt service reserve insurance policy, surety bond, letter of credit or similar financial instrument that the Issuer deposits with the Commission and pledges to the Series 2013 A Bonds Reserve Account.

(3) Any such Reserve Fund Credit Instrument shall be payable to the Commission as beneficiary for the Registered Owners of the Series 2013 A Bonds, shall have a term of no less than one (1) year and shall be payable (upon the giving of such notice as may be required thereunder) (i) on any date on which moneys are required to be withdrawn from the Series 2013 A Bonds Reserve Account due to insufficient amounts in the applicable funds and accounts held by the Commission with respect to the Series 2013 A Bonds when needed to pay debt service on such Bonds or (ii) on a date not more than ten (10) days prior to the expiration date of the Reserve Fund Credit Instrument in the event the Issuer has not satisfied any of the requirements for a Reserve Fund Credit Instrument for which the expiration date is not coterminous with the Series 2013 A Bonds set forth in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated expiration date of such Reserve Fund Credit Instrument for any Reserve Fund Credit Instrument that is not conterminous with the final maturity date of

the Series 2013 A Bonds, the Issuer shall either (i) provide for delivery of a replacement Reserve Fund Credit Instrument which satisfies the requirements of this Section 4.05, (ii) deliver an extension of the Reserve Fund Credit Instrument for a term of not less than one (1) year, or (iii) deposit cash in the Series 2013 A Bonds Reserve Account in an amount which satisfied the requirements of this Section 4.05. Upon delivery of a replacement Reserve Fund Credit Instrument, the Commission shall deliver the then-effective Reserve Fund Credit Instrument to, or at the direction of, the Issuer.

(2) In the event the Commission draws upon a Reserve Fund Credit Instrument, the Issuer shall pay to the provider thereof, from the Revenue Fund in accordance with the priority for funding of all reserve accounts from Net Revenue set forth in Section 4.03 hereof, all principal and interest and expenses payable thereto under the terms of the applicable Reserve Fund Credit Instrument. This Bond Ordinance shall not be terminated until all such amounts are paid in full.

(3) The Commission shall maintain adequate records of (i) the amount available to be drawn at any time under any Reserve Fund Credit Instrument; and (ii) the amounts paid and payable by the Issuer to the provider thereof.

(4) In the event the Series 2013 A Bonds Reserve Account is, at any time, only partially funded by a Reserve Fund Credit Instrument and the Commission is required to withdraw any monies from the Series 2013 A Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 2013 A Bonds Reserve Account until such cash or investments are exhausted and, thereafter, draw on said Reserve Fund Credit Instrument, and (ii) reimburse the provider of said Reserve Fund Credit Instrument an amount equal to the aggregate amount drawn on such Reserve Fund Credit Instrument (including any interest accrued on any amount drawn under said Reserve Fund Credit Instrument) before replenishing the cash or investments in order to restore said Series 2013 A Bonds Reserve Account to the Series 2013 A Bonds Reserve Requirements.

Section 3. The Bond Ordinance is hereby amended and modified by adding a new Section 6.16 in the Bond Ordinance as set forth below:

Section 6.16. Provisions related to Build America Mutual Assurance Company Municipal Bond Debt Service Reserve Insurance Policy.

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in this Bond Ordinance the Issuer agrees to comply, and hereby authorizes and instructs the Commission, as Paying Agent, to comply with the following provisions:

(aa) The Issuer shall repay any draws under the Municipal Bond Debt Service Reserve Insurance Policy (the “Reserve Policy”) and pay all related reasonable expenses incurred by BAM (the “Reserve Insurer”). Interest shall accrue and be payable on such draws and expenses from the date of payment by the Reserve Insurer at the Late Payment Rate. “Late Payment Rate” means the lesser of (A) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Series 2013 A Bonds, and (B) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as the Reserve Insurer in its sole and absolute discretion shall specify.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Reserve Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Reserve Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the Series 2013 A Bonds Reserve Account and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the respective Series 2013 A Bonds Sinking Fund for payment of the debt service on the applicable Series 2013 A Bonds before any drawing may be made on the Reserve Policy or any other credit facility on deposit in the Series 2013 A Bonds Reserve Account in lieu of cash ("Reserve Fund Credit Instrument").

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Fund Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) <u>after</u> applying all available cash and investments in the Series 2013 A Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Fund Credit Instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2013 A Bonds Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Fund Credit Instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the reserve requirement of the Series 2013 A Bonds, if any.

(bb) Draws under the Reserve Policy may only be used to make payments on Series 2013 A Bonds covered under the Reserve Policy.

(cc) If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of paragraph (a) above, the Reserve Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this Bond Ordinance, Loan Agreement, or any other document executed in connection with the Series 2013 A Bonds (collectively, the "Security Documents").

(dd) The Security Documents shall not be discharged until all Policy Costs owing to the Reserve Insurer shall have been paid in full. The Issuer's obligation to pay such amount shall expressly survive payment in full of the Series 2013 A Bonds.

(ee) The Reserve Policy shall expire and terminate in accordance with the terms and provisions of the Reserve Policy and Debt Service Reserve Agreement.

(ff) Any amendment, supplement, modification to, or waiver of any of the Security Documents that requires the consent of the Registered Owners of the Bonds or adversely affects the rights or interest of the Reserve Insurer shall be subject to the prior written consent of the Reserve Insurer.

(gg) The Reserve Insurer is recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce the provisions of the Security Documents as if it were a party thereto.

(hh) Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test and the rate covenant in the Security Documents.

(ii) The Commission shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (a) hereof and shall provide notice to the Reserve Insurer in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Series 2013 A Bonds and a draw on the Reserve Policy is anticipated to make such payment. Where deposits are required to be made by the Issuer with the Commission to the debt service fund for the respective Series 2013 A Bonds more often than semi-annually, the Commission shall give notice to the Reserve Insurer of any failure of the Issuer to make timely payment in full of such deposits within two business days of the date due.

(jj) The Issuer agrees unconditionally that it will pay or reimburse the Reserve Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that the Reserve Insurer may pay or incur, including, but not limited to, fees and expenses of the Reserve Insurer's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Bond Ordinance or any other Security Document ("Administrative Expenses"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of the Reserve Insurer spent in connection with the actions described in the preceding sentence. The Issuer agrees that failure to pay any Administrative Expenses on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to the Reserve Insurer until the date the Reserve Insurer is paid in full.

(kk) Payments made by the Reserve Insurer under the Reserve Policy with respect to claims for interest on or principal of the Series 2013 A Bonds shall not discharge the obligation of the Issuer with respect to such Series 2013 A Bonds, and BAM shall become the owner of such unpaid Series 2013 A Bonds and claims for the interest thereon. The Issuer and the Commission recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 2013 A Bonds, the Reserve Insurer will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon.

(ll) In order to secure the Issuer's payment obligations with respect to Policy Cost, there is hereby granted and perfected in favor of the Reserve Insurer a security interest (subordinate only to that of the owners of the Series 2013 A Bonds) in all revenues and collateral pledged as security for the Series 2013 A Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Series 2013 A Bonds and all Parity Bonds, including following the occurrence of a default or event of default.

(mm) Notice and Other Information to be given to the Reserve Insurer.

(1) The Issuer will provide the Reserve Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the Registered Owners of the Series 2013 A Bonds under the Security Documents.

(2) In addition, the Issuer shall provide the Reserve Insurer with the following notices and other information: (i) notice of any draw upon a Series 2013 A Bonds Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Series 2013 A Bonds Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 2013 A Bonds, including the principal amount, maturities and CUSIP numbers thereof, if any.

(3) The Reserve Insurer shall be entitled to receive such additional information as it may reasonably request.

(4) The notice address of Reserve Insurer is:

Build America Mutual Assurance Company 28 Liberty Street, 59th Floor
New York, NY 10005
Attention: Surveillance, Re: Policy No. ______________
Telephone: (212) 235-2500
Telecopier: (212) 962-1710
Email: notices@buildamerica.com

In each case in which notice or other communication refers to an event of default or a claim on the

Reserve Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 962-1624 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

Section 4. The Issuer hereby accepts, approves and ratifies the Series 2013 A Bonds Debt Service Reserve Insurance Commitment and the form of the Series 2013 A Bonds Debt Service Reserve Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby authorize the Mayor and City Clerk to execute such documents and to take any and all actions required to consummate the transactions contemplated therein, specifically including, but not limited to, (i) the purchase, and pledge to the Series 2013 A Bonds Reserve Account, of the Series 2013 A Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 2013 A Bonds Reserve Account, if any; and (iii) the payment of the costs associated with actions authorized in this Second Supplemental Resolution, specifically including, but not limited to, the premium for the Series 2013 A Bonds Debt Service Reserve Insurance Policy.

Section 5. The Issuer shall use any funds released from the Series 2013 A Bonds Reserve Account as a result of pledging the Series 2013 A Bonds Debt Reserve Insurance Policy thereto for (i) paying costs associated with obtaining the Series 2013 A Bonds Debt Service Reserve Insurance Policy, specifically including, but not limited to, the premium paid to BAM for the Series 2013 A Bonds Debt Service Reserve Insurance Policy; (ii) paying costs of the Issuer's Magazine Branch Project and to the extent additional funds are available ((iii) paying costs of design, acquisition, construction and equipping of additions, betterments, and/or improvements to the System. Funds released from the Series 2013 A Bonds Reserve Account in the amount required to fully fund that Reserve Account shall be deposited into the Series 2026 A Bonds Project Account held at the Commission and expended within one and one half years. Any remaining balance in the Series 2013 A Bonds Reserve Account shall be transferred to the Issuer.

Section 6. The Mayor and City Clerk, and all other appropriate officers, employees and agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause to occur the actions provided for in this Second Supplemental Resolution, and no further authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such further assurance and do such further acts as may be legally required.
Section 7. This Second Supplemental Resolution shall be effective immediately following adoption hereof.

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CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of The City of Charleston on the ____ day of July, 2026.

Dated: ___________, 2026.

Councilmember Jenkins moved to approve the resolution. Councilmember Ceperley seconded the motion. With members present recorded thereon as voting unanimously in the affirmative, the Mayor declared Resolution No. 26-079 adopted.

5. Your committee on Finance has had under consideration the following resolution, and reports the same to Council with the recommendation that Resolution No. 26-080 be adopted.

Resolution No. 26-080 - A resolution supplementing Ordinance No. 7490, passed by the Council of The City of Charleston, West Virginia, on September 11, 2011; which supplemented Ordinance No. 4423 passed by the Council of The City of Charleston, West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the Council on November 6, 1989, by Ordinance No. 4954 passed by the Council on May 3, 1993, by Ordinance No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the Council on June 2, 1997, by Ordinance No. 6532 passed by the Council on November 16, 1998, by Ordinance No. 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the Council on February 5, 2001, by Ordinance No. 6777 passed by the Council on March 19, 2001, by Ordinance No. 6948 passed by the Council on November 4, 2002, by Ordinance No. 6977 passed by the Council on May 19, 2003, by Ordinance No. 7132 passed by the Council on March 7, 2005; authorizing the design, acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of The City of Charleston; authorizing the issuance of $25,877,009 in aggregate principal amount of Sewerage System Revenue Bonds, Series 2011 A, of The City of Charleston, the proceeds of which, shall be used, along with other funds and moneys of, or available to, The City of Charleston which may be lawfully expended for such purposes, to permanently finance the cost of such design, acquisition and construction, to fund reserve accounts for such bonds and to pay other costs in connection therewith; providing for the rights and remedies of and security for the registered owners of such bonds; and adopting other provisions related thereto.

WHEREAS, the Council (the "Governing Body") of The City of Charleston (the "Issuer") duly passed a Bond Ordinance on September 6, 2011, effective September 19, 2011, as amended and modified by a Supplemental Resolution, duly and officially adopted on December 5, 2011 (collectively, the "Bond Ordinance"), which provided for the issuance of The City of Charleston Sewerage System Revenue Bonds, Series 2011 A (West Virginia CWSRF Program), in the total aggregate principal amount of $25,877,009 (the “Series 2011 A Bonds”);

WHEREAS, the Bond Ordinance provides that the Series 2011 A Bonds are sewer revenue bonds issued pursuant to West Virginia Code 16-13-1 *et seq*., (the “Act’) for the benefit of the Issuer’s sewerage treatment and collection system (the “Sewer System”) and, in the case of the Series 2011 A Bonds, secured by the Net Revenues of the Sewer System;

WHEREAS, the Bond Ordinance provides for a reserve account for the Series 2011 A Bonds (the “Series 2011 A Bonds Reserve Account”) each held by the West Virginia Municipal Bond Commission (the “Bond Commission”) to secure the payment of the principal of, and interest on, the Series 2011 A Bonds, respectively;

WHEREAS, the Bond Ordinance provides that the Series 2011 A Bonds Reserve Account may be funded with a municipal bond debt service reserve insurance policy (a "Debt Service Reserve Insurance Policy"), or surety bond, letter of credit or similar financial instrument (each known as a "Reserve Fund Credit Instrument"), in an amount either equal to, or lesser than, the respective reserve requirements for the Series 2011 A Bonds;

WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt Service Reserve Insurance Policy to the Series 2011 A Bonds Reserve Account (i) is a more financially advantageous method to satisfy the Series 2011 A Bonds Reserve Requirement; and (ii) will allow the monies currently on deposit in the Series 2011 A Bonds Reserve Account, if any, which remain after the payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses related thereto, to be used for the design, acquisition, construction and equipping of capital additions, betterments and improvements for the System;

WHEREAS, Build America Mutual Assurance Company ("BAM") has agreed to provide to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2011 A Bonds, substantially in the form attached hereto as "Exhibit A" and incorporated herein by reference (the "Series 2011 A Bonds Debt Service Reserve Insurance Commitment"), whereby BAM agrees, subject to certain conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2011 A Bonds Debt Service Reserve Account in an amount equal to the respective Series 2011 A Bonds Reserve Requirement (the "Series 2011 A Bonds Debt Service Reserve Insurance Policy");

WHEREAS, the Series 2011 A Bonds Debt Service Reserve Insurance Commitment includes a form of "Debt Service Reserve Agreement" by and between the Issuer and BAM (the "Series 2011 A Bonds Debt Service Reserve Agreement") which provides, in part, that any payments made, or Policy Costs incurred, by BAM pursuant to the Series 2011 A Bonds Debt Service Reserve Insurance Policy shall be repaid to BAM by the Issuer pursuant to the terms of the Series 2011 A Bonds Debt Service Reserve Agreement;

WHEREAS, the West Virginia Water Development Authority (the "WDA") on behalf of the West Virginia Department of Environmental Protection initially purchased, and remains the sole Registered Owner of, the Series 2011 A Bonds;

WHEREAS, Section 8.1 Bond Ordinance provides that written consent of the Registered Owners of the Series 2011 A Bonds to amendment or modification of the Bond Ordinance is required prior to any such amendment or modification;

WHEREAS, the WDA, as sole Registered Owner of the Series 2011 A Bonds, has agreed to the amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance Policy and a pledge of the Series 2011 A Bonds Debt Service Reserve Insurance Policy to fund the Series 2011 A Bonds Reserve Account as provided in this Second Supplemental Resolution;

WHEREAS, the Issuer desires to purchase, and pledge to the Series 2011 A Bonds Reserve Account, the Series 2011 A Bonds Debt Service Reserve Insurance Policy in the amount of the respective Reserve Requirements for the Series 2011 A Bonds, and for the monies on deposit in the Series 2011 A Bonds

Reserve Account, if any, to be released to the Issuer and used as provided herein; and

WHEREAS, the Governing Body deems it essential and desirable that this Second Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth below.

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

Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section 4.05 in the Bond Ordinance as set forth below:

Section 4.05. Reserve Fund Credit Instrument. In lieu of or in addition to cash or investments, at any time the Issuer may, with the prior written consent of the Registered Owners of the Series 2011 A Bonds, cause to be deposited with the Commission and pledged to the Series 2011 A Bonds Reserve Account any form of Reserve Fund Credit Instrument, in the amount of the Series 2011 A Bonds Reserve Requirements, or as such lesser amount, irrevocably payable to the Commission as beneficiary for the Registered Owners of the Series 2011 A Bonds. In the event the Series 2011 A Bonds Reserve Account is initially funded, in whole or in part, with proceeds of the Series 2011 A Bonds, or from monthly payments from Net Revenues of the System by the Issuer, the Issuer may deposit a Reserve Fund Credit Instrument to replace all or any portion of the monies on deposit in the Series 2011 A Bonds Reserve Account and any monies then on deposit in the Series 2011 A Bonds Reserve Account, and required to be on deposit therein, shall be returned to the Issuer and used to pay the costs of delivering such Reserve Fund Credit Instrument and/or to pay the costs of design, acquisition, construction and equipping of capital additions, betterments and improvements for the System. The term “Reserve Fund Credit Instrument” shall mean any municipal bond debt service reserve insurance policy, surety bond, letter of credit or similar financial instrument that the Issuer deposits with the Commission and pledges to the Series 2011 A Bonds Reserve Account.

(4) Any such Reserve Fund Credit Instrument shall be payable to the Commission as beneficiary for the Registered Owners of the Series 2011 A Bonds, shall have a term of no less than one (1) year and shall be payable (upon the giving of such notice as may be required thereunder) (i) on any date on which moneys are required to be withdrawn from the Series 2011 A Bonds Reserve Account due to insufficient amounts in the applicable funds and accounts held by the Commission with respect to the Series 2011 A Bonds when needed to pay debt service on such Bonds or (ii) on a date not more than ten (10) days prior to the expiration date of the Reserve Fund Credit Instrument in the event the Issuer has not satisfied any of the requirements for a Reserve Fund Credit Instrument for which the expiration date is not coterminous with the Series 2011 A Bonds set forth in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated expiration date of such Reserve Fund Credit Instrument for any Reserve Fund Credit Instrument that is not conterminous with the final maturity date of

the Series 2011 A Bonds, the Issuer shall either (i) provide for delivery of a replacement Reserve Fund Credit Instrument which satisfies the requirements of this Section 4.05, (ii) deliver an extension of the Reserve Fund Credit Instrument for a term of not less than one (1) year, or (iii) deposit cash in the Series 2011 A Bonds Reserve Account in an amount which satisfied the requirements of this Section 4.05. Upon delivery of a replacement Reserve Fund Credit Instrument, the Commission shall deliver the then-effective Reserve Fund Credit Instrument to, or at the direction of, the Issuer.

(2) In the event the Commission draws upon a Reserve Fund Credit Instrument, the Issuer shall pay to the provider thereof, from the Revenue Fund in accordance with the priority for funding of all reserve accounts from Net Revenue set forth in Section 4.03 hereof, all principal and interest and expenses payable thereto under the terms of the applicable Reserve Fund Credit Instrument. This Bond Ordinance shall not be terminated until all such amounts are paid in full.

(3) The Commission shall maintain adequate records of (i) the amount available to be drawn at any time under any Reserve Fund Credit Instrument; and (ii) the amounts paid and payable by the Issuer to the provider thereof.

(4) In the event the Series 2011 A Bonds Reserve Account is, at any time, only partially funded by a Reserve Fund Credit Instrument and the Commission is required to withdraw any monies from the Series 2011 A Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 2011 A Bonds Reserve Account until such cash or investments are exhausted and, thereafter, draw on said Reserve Fund Credit Instrument, and (ii) reimburse the provider of said Reserve Fund Credit Instrument an amount equal to the aggregate amount drawn on such Reserve Fund Credit Instrument (including any interest accrued on any amount drawn under said Reserve Fund Credit Instrument) before replenishing the cash or investments in order to restore said Series 2011 A Bonds Reserve Account to the Series 2011 A Bonds Reserve Requirements.

Section 3. The Bond Ordinance is hereby amended and modified by adding a new Section 6.16 in the Bond Ordinance as set forth below:

Section 6.16. Provisions related to Build America Mutual Assurance Company Municipal Bond Debt Service Reserve Insurance Policy.

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in this Bond Ordinance the Issuer agrees to comply, and hereby authorizes and instructs the Commission, as Paying Agent, to comply with the following provisions:

(nn) The Issuer shall repay any draws under the Municipal Bond Debt Service Reserve Insurance Policy (the “Reserve Policy”) and pay all related reasonable expenses incurred by BAM (the “Reserve Insurer”). Interest shall accrue and be payable on such draws and expenses from the date of payment by the Reserve Insurer at the Late Payment Rate. “Late Payment Rate” means the lesser of (A) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Series 2011 A Bonds, and (B) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as the Reserve Insurer in its sole and absolute discretion shall specify.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Reserve Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Reserve Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the Series 2011 A Bonds Reserve Account and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the respective Series 2011 A Bonds Sinking Fund for payment of the debt service on the applicable Series 2011 A Bonds before any drawing may be made on the Reserve Policy or any other credit facility on deposit in the Series 2011 A Bonds Reserve Account in lieu of cash ("Reserve Fund Credit Instrument").

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Fund Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Series 2011 A Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Fund Credit Instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2011 A Bonds Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Fund Credit Instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the reserve requirement of the Series 2011 A Bonds, if any.

(oo) Draws under the Reserve Policy may only be used to make payments on Series 2011 A Bonds covered under the Reserve Policy.

(pp) If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of paragraph (a) above, the Reserve Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this Bond Ordinance, Loan Agreement, or any other document executed in connection with the Series 2011 A Bonds (collectively, the "Security Documents").

(qq) The Security Documents shall not be discharged until all Policy Costs owing to the Reserve Insurer shall have been paid in full. The Issuer's obligation to pay such amount shall expressly survive payment in full of the Series 2011 A Bonds.

(rr) The Reserve Policy shall expire and terminate in accordance with the terms and provisions of the Reserve Policy and Debt Service Reserve Agreement.

(ss) Any amendment, supplement, modification to, or waiver of any of the Security Documents that requires the consent of the Registered Owners of the Bonds or adversely affects the rights or interest of the Reserve Insurer shall be subject to the prior written consent of the Reserve Insurer.

(tt) The Reserve Insurer is recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce the provisions of the Security Documents as if it were a party thereto.

(uu) Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test and the rate covenant in the Security Documents.

(vv) The Commission shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (a) hereof and shall provide notice to the Reserve Insurer in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Series 2011 A Bonds and a draw on the Reserve Policy is anticipated to make such payment. Where deposits are required to be made by the Issuer with the Commission to the debt service fund for the respective Series 2011 A Bonds more often than semi-annually, the Commission shall give notice to the Reserve Insurer of any failure of the Issuer to make timely payment in full of such deposits within two business days of the date due.

(ww) The Issuer agrees unconditionally that it will pay or reimburse the Reserve Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that the Reserve Insurer may pay or incur, including, but not limited to, fees and expenses of the Reserve Insurer's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Bond Ordinance or any other Security Document ("Administrative Expenses"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of the Reserve Insurer spent in connection with the actions described in the preceding sentence. The Issuer agrees that failure to pay any Administrative Expenses on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to the Reserve Insurer until the date the Reserve Insurer is paid in full.

(xx) Payments made by the Reserve Insurer under the Reserve Policy with respect to claims for interest on or principal of the Series 2011 A Bonds shall not discharge the obligation of the Issuer with respect to such Series 2011 A Bonds, and BAM shall become the owner of such unpaid Series 2011 A Bonds and claims for the interest thereon. The Issuer and the Commission recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 2011 A Bonds, the Reserve Insurer will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon.

(yy) In order to secure the Issuer's payment obligations with respect to Policy Cost, there is hereby granted and perfected in favor of the Reserve Insurer a security interest (subordinate only to that of the owners of the Series 2011 A Bonds) in all revenues and collateral pledged as security for the Series 2011 A Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Series 2011 A Bonds and all Parity Bonds, including following the occurrence of a default or event of default.

(zz) Notice and Other Information to be given to the Reserve Insurer.

(1) The Issuer will provide the Reserve Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the Registered Owners of the Series 2011 A Bonds under the Security Documents.

(2) In addition, the Issuer shall provide the Reserve Insurer with the following notices and other information: (i) notice of any draw upon a Series 2011 A Bonds Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Series 2011 A Bonds Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 2011 A Bonds, including the principal amount, maturities and CUSIP numbers thereof, if any.

(3) The Reserve Insurer shall be entitled to receive such additional information as it may reasonably request.

(4) The notice address of Reserve Insurer is:

Build America Mutual Assurance Company 28 Liberty Street, 59th Floor
New York, NY 10005
Attention: Surveillance, Re: Policy No. ______________
Telephone: (212) 235-2500
Telecopier: (212) 962-1710
Email: notices@buildamerica.com

In each case in which notice or other communication refers to an event of default or a claim on the

Reserve Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 962-1624 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

Section 4. The Issuer hereby accepts, approves and ratifies the Series 2011 A Bonds Debt Service Reserve Insurance Commitment and the form of the Series 2011 A Bonds Debt Service Reserve Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby authorize the Mayor and City Clerk to execute such documents and to take any and all actions required to consummate the transactions contemplated therein, specifically including, but not limited to, (i) the purchase, and pledge to the Series 2011 A Bonds Reserve Account, of the Series 2011 A Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 2011 A Bonds Reserve Account, if any; and (iii) the payment of the costs associated with actions authorized in this Second Supplemental Resolution, specifically including, but not limited to, the premium for the Series 2011 A Bonds Debt Service Reserve Insurance Policy.

Section 5. The Issuer shall use any funds released from the Series 2011 A Bonds Reserve Account as a result of pledging the Series 2011 A Bonds Debt Reserve Insurance Policy thereto for (i) paying costs associated with obtaining the Series 2011 A Bonds Debt Service Reserve Insurance Policy, specifically including, but not limited to, the premium paid to BAM for the Series 2011 A Bonds Debt Service Reserve Insurance Policy; (ii) paying costs of the Issuer's Magazine Branch Project and to the extent additional funds are available (iii) paying costs of design, acquisition, construction and equipping of additions, betterments, and/or improvements to the System. Funds released from the Series 2011 A Bonds Reserve Account in the amount required to fully fund that Reserve Account shall be deposited into the Series 2026 A Bonds Project Account held at the Commission and expended within one and one half years. Any remaining balance in the Series 2011 A Bonds Reserve Account shall be transferred to the Issuer.

Section 6. The Mayor and City Clerk, and all other appropriate officers, employees and agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause to occur the actions provided for in this Second Supplemental Resolution, and no further authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such further assurance and do such further acts as may be legally required.

Section 7. This Second Supplemental Resolution shall be effective immediately following adoption hereof.

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CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of The City of Charleston on the ____ day of July, 2026.

Dated: ___________, 2026.

[SEAL]

Councilmember Jenkins moved to approve the resolution. Councilmember Ceperley seconded the motion. With members present recorded thereon as voting unanimously in the affirmative, the Mayor declared Resolution No. 26-080 adopted.

6. Your committee on Finance has had under consideration the following resolution, and reports the same to Council with the recommendation that Resolution No. 26-081 be adopted.

<u>Resolution No. 26-081</u> - A resolution supplementing Ordinance No. 7132, passed by the Council of The City of Charleston, West Virginia, on May 5, 2005; which supplemented Ordinance No. 4423 passed by the Council of The City of Charleston, West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the Council on November 6, 1989, by Ordinance No. 4954 passed by the Council on May 3, 1993, by Ordinance No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the Council on June 2, 1997, by Ordinance No. 6532 passed by the Council on November 16, 1998, by Ordinance No. 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the Council on February 5, 2001, by Ordinance No. 6777 passed by the Council on March 19, 2001, by Ordinance No. 6948 passed by the Council on November 4, 2002, by Ordinance No. 6977 passed by the Council on May 19, 2003; authorizing the design, acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of The City of Charleston; authorizing the issuance of not more than $42,000,000 in aggregate principal amount of Sewerage System Revenue Bonds, Series 2005 A and Series 2005 B, of The City of Charleston, the proceeds of which, shall be used, along with other funds and moneys of, or available to, The City of Charleston which may be lawfully expended for such purposes, to permanently finance the cost of such design, acquisition and construction, to fund reserve accounts for such bonds and to pay other costs in connection therewith; providing for the rights and remedies of and security for the registered owners of such bonds; and adopting other provisions related thereto.

WHEREAS, the Council (the "Governing Body") of The City of Charleston (the "Issuer") duly enacted a Bond Ordinance on May 5, 2005, as amended and modified by a Supplemental Resolution, duly and officially adopted on May 5, 2005 (collectively, the "Bond Ordinance"), which provided for the issuance of The City of Charleston Sewerage System Revenue Bonds, Series 2005 A (West Virginia WDA), in the total aggregate principal amount of $36,617,310 (the “Series 2005 A Bonds”);

WHEREAS, the Bond Ordinance provides that the Series 2005 A Bonds are sewer revenue bonds issued pursuant to West Virginia Code 16-13-1 *et seq*., (the “Act’) for the benefit of the Issuer’s sewerage treatment and collection system (the “Sewer System”) and, in the case of the Series 2005 A Bonds, secured by the Net Revenues of the Sewer System;

WHEREAS, the Bond Ordinance provides for a reserve account for the Series 2005 A Bonds (the “Series 2005 A Bonds Reserve Account”) each held by the West Virginia Municipal Bond Commission (the “Commission”) to secure the payment of the principal of, and interest on, the Series 2005 A Bonds, respectively;

WHEREAS, the Bond Ordinance provides that the Series 2005 A Bonds Reserve Account may be funded with a municipal bond debt service reserve insurance policy (a “Debt Service Reserve Insurance Policy”), or surety bond, letter of credit or similar financial instrument (each known as a “Reserve Fund Credit

Instrument"), in an amount either equal to, or lesser than, the respective reserve requirements for the Series 2005 A Bonds;

WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt Service Reserve Insurance Policy to the Series 2005 A Bonds Reserve Account (i) is a more financially advantageous method to satisfy the Series 2005 A Bonds Reserve Requirement; and (ii) will allow the monies currently on deposit in the Series 2005 A Bonds Reserve Account, if any, which remain after the payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses related thereto, to be used for the design, acquisition, construction and equipping of capital additions, betterments and improvements for the System;

WHEREAS, Build America Mutual Assurance Company ("BAM") has agreed to provide to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2005 A Bonds, substantially in the form attached hereto as "Exhibit A" and incorporated herein by reference (the "Series 2005 A Bonds Debt Service Reserve Insurance Commitment"), whereby BAM agrees, subject to certain conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2005 A Bonds Debt Service Reserve Account in an amount equal to the respective Series 2005 A Bonds Reserve Requirement (the "Series 2005 A Bonds Debt Service Reserve Insurance Policy");

WHEREAS, the Series 2005 A Bonds Debt Service Reserve Insurance Commitment includes a form of "Debt Service Reserve Agreement" by and between the Issuer and BAM (the "Series 2005 A Bonds Debt Service Reserve Agreement") which provides, in part, that any payments made, or Policy Costs incurred, by BAM pursuant to the Series 2005 A Bonds Debt Service Reserve Insurance Policy shall be repaid to BAM by the Issuer pursuant to the terms of the Series 2005 A Bonds Debt Service Reserve Agreement;

WHEREAS, the West Virginia Water Development Authority (the "WDA") initially purchased, and remains the sole Registered Owner of, the Series 2005 A Bonds;

WHEREAS, Section 8.1 Bond Ordinance provides that written consent of the Registered Owners of the Series 2005 A Bonds to amendment or modification of the Bond Ordinance is required prior to any such amendment or modification;

WHEREAS, the WDA, as sole Registered Owner of the Series 2005 A Bonds, has agreed to the amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance Policy and a pledge of the Series 2005 A Bonds Debt Service Reserve Insurance Policy to fund the Series 2005 A Bonds Reserve Account as provided in this Second Supplemental Resolution;

WHEREAS, the Issuer desires to purchase, and pledge to the Series 2005 A Bonds Reserve Account, the Series 2005 A Bonds Debt Service Reserve Insurance Policy in the amount of the respective Reserve Requirements for the Series 2005 A Bonds, and for the monies on deposit in the Series 2005 A Bonds Reserve Account, if any, to be released to the Issuer and used as provided herein; and

WHEREAS, the Governing Body deems it essential and desirable that this Second

Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth below.

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

Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section 4.05 in the Bond Ordinance as set forth below:

Section 4.05. Reserve Fund Credit Instrument. In lieu of or in addition to cash or investments, at any time the Issuer may, with the prior written consent of the Registered Owners of the Series 2005 A Bonds, cause to be deposited with the Commission and pledged to the Series 2005 A Bonds Reserve Account any form of Reserve Fund Credit Instrument, in the amount of the Series 2005 A Bonds Reserve Requirements, or as such lesser amount, irrevocably payable to the Commission as beneficiary for the Registered Owners of the Series 2005 A Bonds. In the event the Series 2005 A Bonds Reserve Account is initially funded, in whole or in part, with proceeds of the Series 2005 A Bonds, or from monthly payments from Net Revenues of the System by the Issuer, the Issuer may deposit a Reserve Fund Credit Instrument to replace all or any portion of the monies on deposit in the Series 2005 A Bonds Reserve Account and any monies then on deposit in the Series 2005 A Bonds Reserve Account, and required to be on deposit therein, shall be returned to the Issuer and used to pay the costs of delivering such Reserve Fund Credit Instrument and/or to pay the costs of design, acquisition, construction and equipping of capital additions, betterments and improvements for the System. The term "Reserve Fund Credit Instrument" shall mean any municipal bond debt service reserve insurance policy, surety bond, letter of credit or similar financial instrument that the Issuer deposits with the Commission and pledges to the Series 2005 A Bonds Reserve Account.

(5) Any such Reserve Fund Credit Instrument shall be payable to the Commission as beneficiary for the Registered Owners of the Series 2005 A Bonds, shall have a term of no less than one (1) year and shall be payable (upon the giving of such notice as may be required thereunder) (i) on any date on which moneys are required to be withdrawn from the Series 2005 A Bonds Reserve Account due to insufficient amounts in the applicable funds and accounts held by the Commission with respect to the Series 2005 A Bonds when needed to pay debt service on such Bonds or (ii) on a date not more than ten (10) days prior to the expiration date of the Reserve Fund Credit Instrument in the event the Issuer has not satisfied any of the requirements for a Reserve Fund Credit Instrument for which the expiration date is not coterminous with the Series 2005 A Bonds set forth in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated expiration date of such Reserve Fund Credit Instrument for any Reserve Fund Credit Instrument that is not conterminous with the final maturity date of the Series 2005 A Bonds, the Issuer shall either (i) provide for delivery of a replacement Reserve Fund Credit Instrument which satisfies the requirements of this Section 4.05, (ii) deliver an extension of the Reserve Fund Credit

Instrument for a term of not less than one (1) year, or (iii) deposit cash in the Series 2005 A Bonds Reserve Account in an amount which satisfied the requirements of this Section 4.05. Upon delivery of a replacement Reserve Fund Credit Instrument, the Commission shall deliver the then-effective Reserve Fund Credit Instrument to, or at the direction of, the Issuer.

(2) In the event the Commission draws upon a Reserve Fund Credit Instrument, the Issuer shall pay to the provider thereof, from the Revenue Fund in accordance with the priority for funding of all reserve accounts from Net Revenue set forth in Section 4.03 hereof, all principal and interest and expenses payable thereto under the terms of the applicable Reserve Fund Credit Instrument. This Bond Ordinance shall not be terminated until all such amounts are paid in full.

(3) The Commission shall maintain adequate records of (i) the amount available to be drawn at any time under any Reserve Fund Credit Instrument; and (ii) the amounts paid and payable by the Issuer to the provider thereof.

(4) In the event the Series 2005 A Bonds Reserve Account is, at any time, only partially funded by a Reserve Fund Credit Instrument and the Commission is required to withdraw any monies from the Series 2005 A Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 2005 A Bonds Reserve Account until such cash or investments are exhausted and, thereafter, draw on said Reserve Fund Credit Instrument, and (ii) reimburse the provider of said Reserve Fund Credit Instrument an amount equal to the aggregate amount drawn on such Reserve Fund Credit Instrument (including any interest accrued on any amount drawn under said Reserve Fund Credit Instrument) before replenishing the cash or investments in order to restore said Series 2005 A Bonds Reserve Account to the Series 2005 A Bonds Reserve Requirements.

Section 3. The Bond Ordinance is hereby amended and modified by adding a new Section 6.17 in the Bond Ordinance as set forth below:

Section 6.17. Provisions related to Build America Mutual Assurance Company Municipal Bond Debt Service Reserve Insurance Policy.

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in this Bond Ordinance the Issuer agrees to comply, and hereby authorizes and instructs the Commission, as Paying Agent, to comply with the following provisions:

(aaa) The Issuer shall repay any draws under the Municipal Bond Debt Service Reserve Insurance Policy (the "Reserve Policy") and pay all related reasonable expenses incurred by BAM (the "Reserve Insurer"). Interest shall accrue and be payable on such draws and expenses from the date of payment by the Reserve Insurer at the Late Payment Rate. "Late Payment Rate" means the lesser of (A) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus

5%, and (ii) the then applicable highest rate of interest on the Series 2005 A Bonds, and (B) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as the Reserve Insurer in its sole and absolute discretion shall specify.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Reserve Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Reserve Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the Series 2005 A Bonds Reserve Account and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the respective Series 2005 A Bonds Sinking Fund for payment of the debt service on the applicable Series 2005 A Bonds before any drawing may be made on the Reserve Policy or any other credit facility on deposit in the Series 2005 A Bonds Reserve Account in lieu of cash ("Reserve Fund Credit Instrument").

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Fund Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Series 2005 A Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Fund Credit Instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2005 A Bonds Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Fund Credit Instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the reserve requirement of the Series 2005 A Bonds, if any.

(bbb) Draws under the Reserve Policy may only be used to make payments on Series 2005 A Bonds covered under the Reserve Policy.

(ccc) If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of paragraph (a) above, the Reserve Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this Bond Ordinance, the Loan Agreement, or any other document executed in connection with the Series 2005 A Bonds (collectively, the "Security Documents").

(ddd) The Security Documents shall not be discharged until all Policy Costs owing to the Reserve Insurer shall have been paid in full. The Issuer's obligation to pay such amount shall expressly survive payment in full of the Series 2005 A Bonds.

(eee) The Reserve Policy shall expire and terminate in accordance with the terms and provisions of the Reserve Policy and Debt Service Reserve Agreement.

(fff) Any amendment, supplement, modification to, or waiver of any of the Security Documents that requires the consent of the Registered Owners of the Bonds or adversely affects the rights or interest of the Reserve Insurer shall be subject to the prior written consent of the Reserve Insurer.

(ggg) The Reserve Insurer is recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce the provisions of the Security Documents as if it were a party thereto.

(hhh) Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test and the rate covenant in the Security Documents.

(iii) The Commission shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (a) hereof and shall provide notice to the Reserve Insurer in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Series 2005 A Bonds and a draw on the Reserve Policy is anticipated to make such payment. Where deposits are required to be made by the Issuer with the Commission to the debt service fund for the respective Series 2005 A Bonds more often than semi-annually, the Commission shall give notice to the Reserve Insurer of any failure of the Issuer to make timely payment in full of such deposits within two business days of the date due.

(jjj) The Issuer agrees unconditionally that it will pay or reimburse the Reserve Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that the Reserve Insurer may pay or incur, including, but not limited to, fees and expenses of the Reserve Insurer's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Bond Ordinance or any other Security Document ("Administrative Expenses"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of the Reserve Insurer spent in connection with the actions described in the preceding sentence. The Issuer agrees that failure to pay any Administrative Expenses on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to the Reserve Insurer until the date the Reserve Insurer is paid in full.

(kkk) Payments made by the Reserve Insurer under the Reserve Policy with respect to claims for interest on or principal of the Series 2005 A Bonds shall not discharge the obligation of the Issuer with respect to such Series 2005 A Bonds, and BAM shall become the owner of such unpaid Series 2005 A Bonds and claims for the interest thereon. The Issuer and the Commission recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 2005 A Bonds, the Reserve Insurer will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon.

(lll) In order to secure the Issuer's payment obligations with respect to Policy Cost, there is hereby granted and perfected in favor of the Reserve Insurer a security interest (subordinate only to that of the owners of the Series 2005 A Bonds) in all revenues and collateral pledged as security for the Series 2005 A Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Series 2005 A Bonds and all Parity Bonds, including following the occurrence of a default or event of default.

(mmm) Notice and Other Information to be given to the Reserve Insurer.

(1) The Issuer will provide the Reserve Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the Registered Owners of the Series 2005 A Bonds under the Security Documents.

(2) In addition, the Issuer shall provide the Reserve Insurer with the following notices and other information: (i) notice of any draw upon a Series 2005 A Bonds Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Series 2005 A Bonds Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 2005 A Bonds, including the principal amount, maturities and CUSIP numbers thereof, if any.

(3) The Reserve Insurer shall be entitled to receive such additional information as it may reasonably request.

(4) The notice address of Reserve Insurer is:

Build America Mutual Assurance Company 28 Liberty Street, 59th Floor
New York, NY 10005
Attention: Surveillance, Re: Policy No. _____________
Telephone: (212) 235-2500
Telecopier: (212) 962-1710
Email: notices@buildamerica.com

In each case in which notice or other communication refers to an event of default or a claim on the Reserve Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 962-

1624 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

Section 4. The Issuer hereby accepts, approves and ratifies the Series 2005 A Bonds Debt Service Reserve Insurance Commitment and the form of the Series 2005 A Bonds Debt Service Reserve Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby authorize the Mayor and City Clerk to execute such documents and to take any and all actions required to consummate the transactions contemplated therein, specifically including, but not limited to, (i) the purchase, and pledge to the Series 2005 A Bonds Reserve Account, of the Series 2005 A Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 2005 A Bonds Reserve Account, if any; and (iii) the payment of the costs associated with actions authorized in this Second Supplemental Resolution, specifically including, but not limited to, the premium for the Series 2005 A Bonds Debt Service Reserve Insurance Policy.

Section 5. The Issuer shall use any funds released from the Series 2005 A Bonds Reserve Account as a result of pledging the Series 2005 A Bonds Debt Reserve Insurance Policy thereto for (i) paying costs associated with obtaining the Series 2005 A Bonds Debt Service Reserve Insurance Policy, specifically including, but not limited to, the premium paid to BAM for the Series 2005 A Bonds Debt Service Reserve Insurance Policy; (ii) paying costs of the Issuer's Magazine Branch Project and to the extent additional funds are available (iii) paying costs of design, acquisition, construction and equipping of additions, betterments, and/or improvements to the System. Funds released from the Series 2005 A Bonds Reserve Account in the amount required to fully fund the Series 2005 A Bonds Reserve Account shall be deposited into the Series 2026 A Bonds Project Account held at the Commission and expended within one and one half years. Any remaining balance in the Series 2005 A Bonds Reserve Account shall be transferred to the Issuer.

Section 6. The Mayor and City Clerk, and all other appropriate officers, employees and agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause to occur the actions provided for in this Second Supplemental Resolution, and no further authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such further assurance and do such further acts as may be legally required.

Section 7. This Second Supplemental Resolution shall be effective immediately following adoption hereof.

CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of The City of Charleston on the ____ day of July, 2026.

Dated: ___________, 2026.

[SEAL]

____

City Clerk

Councilmember Jenkins moved to approve the resolution. Councilmember Ceperley seconded the motion. With members present recorded thereon as voting unanimously in the affirmative, the Mayor declared Resolution No. 26-081 adopted.

7. Your committee on Finance has had under consideration the following resolution, and reports the same to Council with the recommendation that Resolution No. 26-082 be adopted.

<u>Resolution No. 26-082</u> - A resolution supplementing Ordinance No. 7132, passed by the Council of The City of Charleston, West Virginia, on March 7, 2005; which supplemented Ordinance No. 4423 passed by the Council of The City of Charleston, West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the Council on November 6, 1989, by Ordinance No. 4954 passed by the Council on May 3, 1993, by Ordinance No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the Council on June 2, 1997, by Ordinance No. 6532 passed by the Council on November 16, 1998, by Ordinance No. 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the Council on February 5, 2001, by Ordinance No. 6777 passed by the Council on March 19, 2001, by Ordinance No. 6948 passed by the Council on November 4, 2002, by Ordinance No. 6977 passed by the Council on May 19, 2003; authorizing the design, acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of The City of Charleston; authorizing the issuance of not more than $9,000,000 in aggregate principal amount of Sewerage System Revenue Bonds, Series 2008 A, of The City of Charleston, the proceeds of which, shall be used, along with other funds and moneys of, or available to, The City of Charleston which may be lawfully expended for such purposes, to permanently finance the cost of such design, acquisition and construction, to fund reserve accounts for such bonds and to pay other costs in connection therewith; providing for the rights and remedies of and security for the registered owners of such bonds; and adopting other provisions related thereto.

WHEREAS, the Council (the "Governing Body") of The City of Charleston (the "Issuer") duly passed a Bond Ordinance on March 7, 2005, effective March 21, 2005, as amended and modified by a Supplemental Resolution, duly and officially adopted on June 16, 2008 (collectively, the "Bond Ordinance"), which provided for the issuance of The City of Charleston Sewerage System Revenue Bonds, Series 2008 A (West Virginia CWSRF Program), in the total aggregate principal amount of $9,000,000 (the “Series 2008 A Bonds”);

WHEREAS, the Bond Ordinance provides that the Series 2008 A Bonds are sewer revenue bonds issued pursuant to West Virginia Code 16-13-1 *et seq*., (the “Act’) for the benefit of the Issuer’s sewerage treatment and collection system (the “Sewer System”) and, in the case of the Series 2008 A Bonds, secured by the Net Revenues of the Sewer System;

WHEREAS, the Bond Ordinance provides for a reserve account for the Series 2008 A Bonds (the “Series 2008 A Bonds Reserve Account”) each held by the West Virginia Municipal Bond Commission (the “Bond Commission”) to secure the payment of the principal of, and interest on, the Series 2008 A Bonds, respectively;

WHEREAS, the Bond Ordinance provides that the Series 2008 A Bonds Reserve Account may be funded with a municipal bond debt service reserve insurance policy (a “Debt Service Reserve Insurance Policy”), or surety bond, letter of credit or similar financial instrument (each known as a "Reserve Fund Credit Instrument"), in an amount either equal to, or lesser than, the respective reserve requirements for the Series 2008 A Bonds;

WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt Service Reserve Insurance Policy to the Series 2008 A Bonds Reserve Account (i) is a more financially advantageous method to satisfy the Series 2008 A Bonds Reserve Requirement; and (ii) will allow the monies currently on deposit in the Series 2008 A Bonds Reserve Account, if any, which remain after the payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses related thereto, to be used for the design, acquisition, construction and equipping of capital additions, betterments and improvements for the System;

WHEREAS, Build America Mutual Assurance Company ("BAM") has agreed to provide to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2008 A Bonds, substantially in the form attached hereto as "Exhibit A" and incorporated herein by reference (the "Series 2008 A Bonds Debt Service Reserve Insurance Commitment"), whereby BAM agrees, subject to certain conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2008 A Bonds Debt Service Reserve Account in an amount equal to the respective Series 2008 A Bonds Reserve Requirement (the "Series 2008 A Bonds Debt Service Reserve Insurance Policy");

WHEREAS, the Series 2008 A Bonds Debt Service Reserve Insurance Commitment includes a form of "Debt Service Reserve Agreement" by and between the Issuer and BAM (the "Series 2008 A Bonds Debt Service Reserve Agreement") which provides, in part, that any payments made, or Policy Costs incurred, by BAM pursuant to the Series 2008 A Bonds Debt Service Reserve Insurance Policy shall be repaid to BAM by the Issuer pursuant to the terms of the Series 2008 A Bonds Debt Service Reserve Agreement;

WHEREAS, the West Virginia Water Development Authority (the "WDA") on behalf of the West Virginia Department of Environmental Protection initially purchased, and remains the sole Registered Owner of, the Series 2008 A Bonds;

WHEREAS, Section 8.1 Bond Ordinance provides that written consent of the Registered Owners of the Series 2008 A Bonds to amendment or modification of the Bond Ordinance is required prior to any such amendment or modification;

WHEREAS, the WDA, as sole Registered Owner of the Series 2008 A Bonds, has agreed to the amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance Policy and a pledge of the Series 2008 A Bonds Debt Service Reserve Insurance Policy to fund the Series 2008 A Bonds Reserve Account as provided in this Second Supplemental Resolution;

WHEREAS, the Issuer desires to purchase, and pledge to the Series 2008 A Bonds Reserve Account, the Series 2008 A Bonds Debt Service Reserve Insurance Policy in the amount of the respective Reserve Requirements for the Series 2008 A Bonds, and for the monies on deposit in the Series 2008 A Bonds Reserve Account, if any, to be released to the Issuer and used as provided herein; and

WHEREAS, the Governing Body deems it essential and desirable that this Second Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth below.

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

Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section 4.05 in the Bond Ordinance as set forth below:

Section 4.05. Reserve Fund Credit Instrument. In lieu of or in addition to cash or investments, at any time the Issuer may, with the prior written consent of the Registered Owners of the Series 2008 A Bonds, cause to be deposited with the Commission and pledged to the Series 2008 A Bonds Reserve Account any form of Reserve Fund Credit Instrument, in the amount of the Series 2008 A Bonds Reserve Requirements, or as such lesser amount, irrevocably payable to the Commission as beneficiary for the Registered Owners of the Series 2008 A Bonds. In the event the Series 2008 A Bonds Reserve Account is initially funded, in whole or in part, with proceeds of the Series 2008 A Bonds, or from monthly payments from Net Revenues of the System by the Issuer, the Issuer may deposit a Reserve Fund Credit Instrument to replace all or any portion of the monies on deposit in the Series 2008 A Bonds Reserve Account and any monies then on deposit in the Series 2008 A Bonds Reserve Account, and required to be on deposit therein, shall be returned to the Issuer and used to pay the costs of delivering such Reserve Fund Credit Instrument and/or to pay the costs of design, acquisition, construction and equipping of capital additions, betterments and improvements for the System. The term "Reserve Fund Credit Instrument" shall mean any municipal bond debt service reserve insurance policy, surety bond, letter of credit or similar financial instrument that the Issuer deposits with the Commission and pledges to the Series 2008 A Bonds Reserve Account.

(6) Any such Reserve Fund Credit Instrument shall be payable to the Commission as beneficiary for the Registered Owners of the Series 2008 A Bonds, shall have a term of no less than one (1) year and shall be payable (upon the giving of such notice as may be required thereunder) (i) on any date on which moneys are required to be withdrawn from the Series 2008 A Bonds Reserve Account due to insufficient amounts in the applicable funds and accounts held by the Commission with respect to the Series 2008 A Bonds when needed to pay debt service on such Bonds or (ii) on a date not more than ten (10) days prior to the expiration date of the Reserve Fund Credit Instrument in the event the Issuer has not satisfied any of the requirements for a Reserve Fund Credit Instrument for which the expiration date is not coterminous with the Series 2008 A Bonds set forth in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated expiration date of such Reserve Fund Credit Instrument for any Reserve Fund Credit Instrument that is not conterminous with the final maturity date of the Series 2008 A Bonds, the Issuer shall either (i) provide for delivery of a

replacement Reserve Fund Credit Instrument which satisfies the requirements of this Section 4.05, (ii) deliver an extension of the Reserve Fund Credit Instrument for a term of not less than one (1) year, or (iii) deposit cash in the Series 2008 A Bonds Reserve Account in an amount which satisfied the requirements of this Section 4.05. Upon delivery of a replacement Reserve Fund Credit Instrument, the Commission shall deliver the then-effective Reserve Fund Credit Instrument to, or at the direction of, the Issuer.

(2) In the event the Commission draws upon a Reserve Fund Credit Instrument, the Issuer shall pay to the provider thereof, from the Revenue Fund in accordance with the priority for funding of all reserve accounts from Net Revenue set forth in Section 4.03 hereof, all principal and interest and expenses payable thereto under the terms of the applicable Reserve Fund Credit Instrument. This Bond Ordinance shall not be terminated until all such amounts are paid in full.

(3) The Commission shall maintain adequate records of (i) the amount available to be drawn at any time under any Reserve Fund Credit Instrument; and (ii) the amounts paid and payable by the Issuer to the provider thereof.

(4) In the event the Series 2008 A Bonds Reserve Account is, at any time, only partially funded by a Reserve Fund Credit Instrument and the Commission is required to withdraw any monies from the Series 2008 A Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 2008 A Bonds Reserve Account until such cash or investments are exhausted and, thereafter, draw on said Reserve Fund Credit Instrument, and (ii) reimburse the provider of said Reserve Fund Credit Instrument an amount equal to the aggregate amount drawn on such Reserve Fund Credit Instrument (including any interest accrued on any amount drawn under said Reserve Fund Credit Instrument) before replenishing the cash or investments in order to restore said Series 2008 A Bonds Reserve Account to the Series 2008 A Bonds Reserve Requirements.

Section 3. The Bond Ordinance is hereby amended and modified by adding a new Section 6.17 in the Bond Ordinance as set forth below:

Section 6.17. Provisions related to Build America Mutual Assurance Company Municipal Bond Debt Service Reserve Insurance Policy.

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in this Bond Ordinance the Issuer agrees to comply, and hereby authorizes and instructs the Commission, as Paying Agent, to comply with the following provisions:

(nnn) The Issuer shall repay any draws under the Municipal Bond Debt Service Reserve Insurance Policy (the "Reserve Policy") and pay all related reasonable expenses incurred by BAM (the "Reserve Insurer"). Interest shall accrue and be payable on such draws and expenses from the date of payment by the Reserve Insurer at the Late Payment Rate. "Late Payment Rate" means the lesser of (A) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Series 2008 A Bonds, and (B) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as the Reserve Insurer in its sole and absolute discretion shall specify.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Reserve Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Reserve Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the Series 2008 A Bonds Reserve Account and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the respective Series 2008 A Bonds Sinking Fund for payment of the debt service on the applicable Series 2008 A Bonds before any drawing may be made on the Reserve Policy or any other credit facility on deposit in the Series 2008 A Bonds Reserve Account in lieu of cash ("Reserve Fund Credit Instrument").

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Fund Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) <u>after</u> applying all available cash and investments in the Series 2008 A Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Fund Credit Instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2008 A Bonds Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Fund Credit Instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the reserve requirement of the Series 2008 A Bonds, if any.

(ooo) Draws under the Reserve Policy may only be used to make payments on Series 2008 A Bonds covered under the Reserve Policy.

(ppp) If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of paragraph (a) above, the Reserve Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this Bond Ordinance, the Loan Agreement, or any other document executed in connection with the Series 2008 A Bonds (collectively, the "Security Documents").

(qqq) The Security Documents shall not be discharged until all Policy Costs owing to the Reserve Insurer shall have been paid in full. The Issuer's obligation to pay such amount shall expressly survive payment in full of the Series 2008 A Bonds.

(rrr) The Reserve Policy shall expire and terminate in accordance with the terms and provisions of the Reserve Policy and Debt Service Reserve Agreement.

(sss) Any amendment, supplement, modification to, or waiver of any of the Security Documents that requires the consent of the Registered Owners of the Bonds or adversely affects the rights or interest of the Reserve Insurer shall be subject to the prior written consent of the Reserve Insurer.

(ttt) The Reserve Insurer is recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce the provisions of the Security Documents as if it were a party thereto.

(uuu) Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test and the rate covenant in the Security Documents.

(vvv) The Commission shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (a) hereof and shall provide notice to the Reserve Insurer in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Series 2008 A Bonds and a draw on the Reserve Policy is anticipated to make such payment. Where deposits are required to be made by the Issuer with the Commission to the debt service fund for the respective Series 2008 A Bonds more often than semi-annually, the Commission shall give notice to the Reserve Insurer of any failure of the Issuer to make timely payment in full of such deposits within two business days of the date due.

(www) The Issuer agrees unconditionally that it will pay or reimburse the Reserve Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that the Reserve Insurer may pay or incur, including, but not limited to, fees and expenses of the Reserve Insurer's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Bond Ordinance or any other Security Document ("Administrative Expenses"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of the Reserve Insurer spent in connection with the actions described in the preceding sentence. The Issuer agrees that failure to pay any Administrative Expenses on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to the Reserve Insurer until the date the Reserve Insurer is paid in full.

(xxx) Payments made by the Reserve Insurer under the Reserve Policy with respect to claims for interest on or principal of the Series 2008 A Bonds shall not discharge the obligation of the Issuer with respect to such Series 2008 A Bonds, and BAM shall become the owner of such unpaid Series 2008 A Bonds and claims for the interest thereon. The Issuer and the Commission recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 2008 A Bonds, the Reserve Insurer will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon.

(yyy) In order to secure the Issuer's payment obligations with respect to Policy Cost, there is hereby granted and perfected in favor of the Reserve Insurer a security interest (subordinate only to that of the owners of the Series 2008 A Bonds in all revenues and collateral pledged as security for the Series 2008 A Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Series 2008 A Bonds and all Parity Bonds, including following the occurrence of a default or event of default.

(zzz) Notice and Other Information to be given to the Reserve Insurer.

(1) The Issuer will provide the Reserve Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the Registered Owners of the Series 2008 A Bonds under the Security Documents.

(2) In addition, the Issuer shall provide the Reserve Insurer with the following notices and other information: (i) notice of any draw upon a Series 2008 A Bonds Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Series 2008 A Bonds Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 2008 A Bonds, including the principal amount, maturities and CUSIP numbers thereof, if any.

(3) The Reserve Insurer shall be entitled to receive such additional information as it may reasonably request.

(4) The notice address of Reserve Insurer is:

Build America Mutual Assurance Company 28 Liberty Street, 59th Floor
New York, NY 10005
Attention: Surveillance, Re: Policy No. _________
Telephone: (212) 235-2500
Telecopier: (212) 962-1710
Email: notices@buildamerica.com

In each case in which notice or other communication refers to an event of default or a claim on the

Reserve Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 962-1624 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

Section 4. The Issuer hereby accepts, approves and ratifies the Series 2008 A Bonds Debt Service Reserve Insurance Commitment and the form of the Series 2008 A Bonds Debt Service Reserve Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby authorize the Mayor and City Clerk to execute such documents and to take any and all actions required to consummate the transactions contemplated therein, specifically including, but not limited to, (i) the purchase, and pledge to the Series 2008 A Bonds Reserve Account, of the Series 2008 A Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 2008 A Bonds Reserve Account, if any; and (iii) the payment of the costs associated with actions authorized in this Second Supplemental Resolution, specifically including, but not limited to, the premium for the Series 2008 A Bonds Debt Service Reserve Insurance Policy.

Section 5. The Issuer shall use any funds released from the Series 2008 A Bonds Reserve Account as a result of pledging the Series 2008 A Bonds Debt Reserve Insurance Policy thereto for (i) paying costs associated with obtaining the Series 2008 A Bonds Debt Service Reserve Insurance Policy, specifically including, but not limited to, the premium paid to BAM for the Series 2008 A Bonds Debt Service Reserve Insurance Policy; (ii) paying costs of the Issuer's Magazine Branch Project and to the extent additional funds are available (iii) paying costs of design, acquisition, construction and equipping of additions, betterments, and/or improvements to the System. Funds released from the Series 2008 A Bonds Reserve Account in the amount required to fully fund that Reserve Account shall be deposited into the Series 2026 A Bonds Project Account held at the Commission and expended within one and one half years. Any remaining balance in the Series 2008 A Bonds Reserve Account shall be transferred to the Issuer.

Section 6. The Mayor and City Clerk, and all other appropriate officers, employees and agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause to occur the actions provided for in this Second Supplemental Resolution, and no further authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such further assurance and do such further acts as may be legally required.

Section 7. This Second Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Left Blank]

CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of The City of Charleston on the ____ day of July, 2026.

Dated: ___________, 2026.

[SEAL]

____

City Clerk

Councilmember Jenkins moved to approve the resolution. Councilmember Ceperley seconded the motion. With members present recorded thereon as voting unanimously in the affirmative, the Mayor declared Resolution No. 26-082 adopted.

REPORTS OF OFFICERS

None

NEW BILLS

Introduced by Councilmembers Joe Solomon, Beth Kerns, Shannon Snodgrass and Pam Burka
July 6, 2026:
Resolution No. 26-083– Enacting Rule No. 26 of the Rules of Council, relating to establishing calendar-year City Council sessions, and providing a uniform expiration and limited carryover rule for introduced bills, ordinances, resolutions, or proposed charter amendments.

Refer to Ordinance and Rules Committee, Please

Introduced by Councilmember Brent Burton
July 6, 2026:
Bill No. 8084– A BILL to establish a Restricted Use Area in the West Side area of Charleston for the purpose of prohibiting the use or extraction of groundwater within the Restricted Use Area for any purpose, except for groundwater monitoring and/or remediation.

Refer to Environment and Recycling Committee, Please

MISCELLANEOUS/UNFINISHED BUSINESS

None

REMARKS BY MEMBERS

1. Mayor Goodwin stated that the demolition continues for the Public Safety building. The Mayor thanked everyone who worked on the Regatta.

2. Councilmember Pharr acknowledged Jessica Martin.

3. Councilmember Taylor stated that his children left their metropolitan cities to celebrate Regatta in Charleston.

4. Councilmember Faegre thanked everyone involved with the Regatta.

5. Councilmember Pepper spoke about the Appalachian Spring Project and planting more trees.

6. Councilmember Steelhammer introduced her daughter, Jaya.

7. Councilmember Jones thanked the City for the Regatta.

ADJOURNMENT

City Clerk, Miles C. Cary II, called the closing roll call:

YEAS: Annie, Ceperley, Cook, Faegre, Ferrell, Gardner, Gianola, Haas, Hoover, Jenkins, Jones, Kerns, King, Moore, Overstreet, Pepper, Pharr, Robinson, Rubio, Salango, Snodgrass, Solomon, Steelhammer, Taylor, Mayor Goodwin
NAYS:
ABSTAIN:
ABSENT: Burka, Burton

At 7:40 p.m., by a motion from Councilmember Ceperley, Council adjourned until Monday, July 20, 2026, 7:00 p.m., in Council Chambers at City Hall.

____
Amy Shuler Goodwin, Honorable Mayor

____
Miles C. Cary II, City Clerk