

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A; and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B
(West Virginia SRF Program)

BOND TRANSCRIPT

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Closing Date: July 22, 2011
Revised Transcript Issued: December 10, 2014

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CITY OF CHARLES TOWN
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2011 A
(WEST VIRGINIA SRF PROGRAM); AND
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2011 B
(WEST VIRGINIA SRF PROGRAM)

CONFORMED BOND ORDINANCE

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Conformed Bond Ordinance

CITY OF CHARLES TOWN

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING SEWERAGE PORTION OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF CHARLES TOWN AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF CHARLES TOWN OF NOT MORE THAN \$15,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM); AND NOT MORE THAN \$2,000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 B (WEST VIRGINIA SRF PROGRAM) PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF CHARLES TOWN:

ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

A. The City of Charles Town (the “Issuer”) is a municipal corporation and political subdivision of the State of West Virginia in Jefferson County of said State.

B. The Issuer presently owns and operates, through the City of Charles Town Utility Board (the "Board") a combined municipal waterworks and sewerage system (the "System"). However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain additions, betterments and improvements existing sewerage portion of the System of the Issuer, consisting of renovation and expansion of the Tuscawilla treatment plant, together with all necessary appurtenances (collectively, the "Project") (the existing combined waterworks and sewerage system of the Issuer, the Project and any further additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends permanently finance the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Water Pollution Control Revolving Fund Program (the "SRF Program"), all pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Revenue Bonds, in the total aggregate principal amount of not more than \$17,000,000 in two or more series (collectively, the "Series 2011 Bonds") initially planned to be (i) the Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program) in the aggregate principal amount of not more than \$15,000,000 (the "Series 2011 A Bonds"); and (ii) the Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B (West Virginia SRF Program) in the aggregate principal amount of not more than \$2,000,000, (the "Series 2011 B Bonds") to permanently finance the costs of acquisition and construction of the Project, and pay the costs of issuance thereof. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2011 Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Accounts (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority including the SRF Administrative Fee (as hereinafter defined) for the Series 2011 Bonds; discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2011 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2011 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Project is not less than 32 years.

F. It is in the best interests of the Issuer that its Series 2011 Bonds be sold to the Authority pursuant to the terms and provisions of a Bond Purchase Agreement by and among the

Issuer, the Authority, and the West Virginia Department of Environmental Protection (the "DEP") in the form satisfactory to the respective parties (the "Bond Purchase Agreement") approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2011 Bonds as to liens, pledge, source of and security for payment, as follows:

- (1) Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of \$413,629 (the "Series 1987 B Bonds");
- (2) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of \$295,916 (the "Series 1988 B-1 Bonds");
- (3) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of \$558,000 (the "Series 1988 B-2 Bonds");
- (4) Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of \$117,480 (the "Series 1989 B Bonds");
- (5) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of \$437,601 (the "Series 1998 Bonds");
- (6) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of \$3,163,781 (the "Series 2000 A Bonds");
- (7) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of \$1,100,000 (the "Series 2002 A Bonds");
- (8) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of \$3,600,000 (the "Series 2002 B Bonds");
- (9) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 C (Insured), dated December 1, 2002, issued in the original aggregate principal amount of \$4,135,000 (the "Series 2002 C Bonds");
- (10) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (AMT - Uninsured), dated January 1, 2003, issued in the original aggregate principal amount of \$1,000,000 (the "Series 2003 A Bonds");

- (11) Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A (Taxable), dated June 15, 2005, issued in the original aggregate principal amount of \$2,355,000 (the "Series 2005 A Bonds");
- (12) Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 A (Taxable), dated January 19, 2006, issued in the original aggregate principal amount of \$1,830,000 (the "Series 2006 A Bonds");
- (13) Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 B (Tax-Exempt), dated July 27, 2006, issued in the original aggregate principal amount of \$2,000,000 (the "Series 2006 B Bonds");
- (14) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2009 A (Tax-Exempt), dated December 1, 2009, issued in the original aggregate principal amount of \$7,120,000 (the "Series 2009 A Bonds");
- (15) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010, issued in the original aggregate principal amount of \$912,458 (the "Series 2010 A Bonds");
- (16) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA), dated January 13, 2010, issued in the original aggregate principal amount of \$100,000 (the "Series 2010 B Bonds");
- (17) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of \$1,250,000 (the "Series 2010 C Bonds"); and
- (18) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of \$500,000 (the "Series 2010 D Bonds").

The Series 1987 B Bonds, Series 1988 B-1 Bonds, Series 1988 B-2 Bonds, Series 1989 B Bonds, Series 1998 Bonds, Series 2000 A Bonds, Series 2002 A Bonds, Series 2002 B Bonds, Series 2002 C Bonds, Series 2003 A Bonds, Series 2005 A Bonds, Series 2006 A Bonds, Series 2006 B Bonds, Series 2009 A Bonds, Series 2010 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds and Series 2010 D Bonds are hereinafter collectively called the "Prior Bonds." The ordinances which authorized the issuance of the Prior Bonds are herein collectively referred to as the "Prior Ordinances."

The Series 2011 Bonds shall be issued on a parity with one another and with the Prior Bonds, all of which shall have a first lien position with respect to pledge and source of and security for payment and in all other respects. The Issuer has met the coverage requirements for issuance of parity bonds of the Prior Bonds and the Prior Ordinances and has substantially complied with all other parity requirements, except to the extent that noncompliance with any such other parity requirements is not of a material nature.

Prior to the issuance of the Series 2011 Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Registered Owners of the Prior Bonds to the issuance of the Series 2011 Bonds on a parity with such Prior Bonds if required by the Prior Ordinances. The Series 2002 C Bonds, Series 2003 A Bonds, Series 2005 A Bonds, Series 2006 A Bonds, Series 2006 B Bonds and Series 2009 A Bonds do not require consent.

Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Series 2011 Bonds and the Prior Bonds and to make payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law and the Bond Purchase Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2011 Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the Council and the obtaining of a Certificate of Public Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2011 Bonds or such final order will not be subject to appeal.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2011 Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2011 Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

“Authority” means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2011 Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the DEP under the Act.

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

“Board” means the Utility Board of the Issuer.

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

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

“Bond Purchase Agreement” means, the Bond Purchase Agreement heretofore entered, or to be entered into by and among the Issuer, the Authority and the DEP, providing for the purchase of the Series 2011 Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

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

“Bonds” means, collectively, the Series 2011 Bonds and the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

“Clerk” means the Clerk of the Issuer.

“Closing Date” means the date upon which there is an exchange of the Series 2011 Bonds for all or a portion of the proceeds of the Series 2011 Bonds from the Authority.

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

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

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

“Costs” or “Costs of the Project” means those costs described in Section 1.02D hereof to be a part of the cost of acquisition and construction of the Project.

“DEP” means the West Virginia Department of Environmental Protection, or any successor thereto.

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

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

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

“Governing Body” means the Council of the Issuer, as it may now or hereafter be constituted.

“Grants” means any grants committed to the Project.

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

“Gross Revenues” means the aggregate gross operating and non-operating revenues of the System, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that “Gross Revenues” does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof), or any Tap Fees, as hereinafter defined.

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

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

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

“Mayor” means the Mayor of the Issuer.

“Net Proceeds” means the face amount of the Series 2011 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any,

deposited in the Series 2011 Bonds Reserve Accounts. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2011 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, the SRF Administrative Fee (as hereinafter defined), insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting practices.

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

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

“Paying Agent” means the Commission or such other entity or authority as may be designated as a Paying Agent by the Issuer in the Supplemental Resolution with the written consent of the Authority and the DEP.

"Prior Bonds" means, collectively, the Series 1987 B Bonds, Series 1988 B-1 Bonds, Series 1988 B-2 Bonds, Series 1989 B Bonds, Series 1998 Bonds, Series 2000 A Bonds, Series 2002 A Bonds, Series 2002 B Bonds, Series 2002 C Bonds, Series 2003 A Bonds, Series 2005 A Bonds, Series 2006 A Bonds, Series 2006 B Bonds, Series 2009 A Bonds, Series 2010 A Bonds, Series 2010 B Bonds, Series 2010 C Bonds, and Series 2010 D Bonds.

“Prior Ordinance” means the ordinances of the Issuer, as supplemented by the supplemental resolutions of the Issuer, authorizing the Prior Bonds.

“Project” means the Project as described in Section 1.02B hereof.

“Qualified Investments” means and includes any of the following, unless otherwise set forth in the Supplemental Resolution:

- (a) Government Obligations;
- (b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;
- (c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;
- (d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;
- (e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;
- (f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;
- (g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;
- (h) The West Virginia “consolidated fund” managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the West Virginia Code of 1931, as amended; and

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

"Registrar" means the Bond Registrar.

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

"Renewal and Replacement Fund" means the Depreciation Account created by the Prior Ordinance.

"Reserve Accounts" means, collectively, the reserve accounts established for the Prior Bonds, the Series 2011 Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in any Reserve Account for the Prior Bonds, and the Series 2011 Bonds.

"Revenue Fund" means the Revenue Fund established by the Prior Ordinance.

"Series 1987 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of \$413,629.

"Series 1988 B-1 Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of \$295,916.

"Series 1988 B-2 Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of \$558,000.

"Series 1989 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of \$117,480.

"Series 1998 Bonds" means the Issuer's Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of \$437,601.

"Series 2000 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of \$3,163,781.

"Series 2002 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of \$1,100,000.

“Series 2002 B Bonds” means the Issuer’s Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of \$3,600,000.

“Series 2002 C Bonds” means the Issuer’s Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 C (Insured), dated December 1, 2002, issued in the original aggregate principal amount of \$4,135,000.

“Series 2003 A Bonds” means the Issuer’s Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (AMT - Uninsured), dated January 1, 2003, issued in the original aggregate principal amount of \$1,000,000.

“Series 2005 A Bonds” means the Issuer’s Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A (Taxable), dated June 15, 2005, issued in the original aggregate principal amount of \$2,355,000.

“Series 2006 A Bonds” means the Issuer’s Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 A (Taxable), dated January 19, 2006, issued in the original aggregate principal amount of \$1,830,000.

“Series 2006 B Bonds” means the Issuer’s Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 B (Tax-Exempt), dated July 27, 2006, issued in the original aggregate principal amount of \$2,000,000.

“Series 2009 A Bonds” means the Issuer’s Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2009 A (Tax-Exempt), dated December 1, 2009, issued in the original aggregate principal amount of \$7,120,000.

“Series 2010 A Bonds” means the Issuer’s Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010, issued in the original aggregate principal amount of \$912,458.

“Series 2010 B Bonds” means the Issuer’s Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA), dated January 13, 2010, issued in the original aggregate principal amount of \$100,000.

“Series 2010 C Bonds” means the Issuer’s Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of \$1,250,000.

“Series 2010 D Bonds” means the Issuer’s Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of \$500,000.

“Series 2011 Bonds” means collectively the Series 2011 A Bonds and Series 2011 B Bonds.

“Series 2011 A Bonds” means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.

“Series 2011 A Bonds Reserve Account” means the Series 2011 A Bonds Reserve Account established in Section 5.02 hereof.

“Series 2011 A Bonds Reserve Requirement” means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2011 A Bonds in the then current or any succeeding year.

“Series 2011 A Bonds Sinking Fund” means the Series 2011 A Bonds Sinking Fund established by Section 5.02 hereof.

“Series 2011 Bonds Construction Trust Fund” means the Series 2011 Bonds Construction Trust Fund established by Section 5.01 hereof.

“Series 2011 B Bonds” means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.

“Series 2011 B Bonds Reserve Account” means the Series 2011 B Bonds Reserve Account established in Section 5.02 hereof.

“Series 2011 B Bonds Reserve Requirement” means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2011 B Bonds in the then current or any succeeding year.

“Series 2011 B Bonds Sinking Fund” means the Series 2011 B Bonds Sinking Fund established by Section 5.02 hereof.

“Sinking Funds” means, collectively, the respective reserve accounts established for the Prior Bonds and the Series 2011 Bonds.

“SRF Administrative Fee” means the administrative fee required to be paid pursuant to the Bond Purchase Agreement for the Series 2011 Bonds.

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

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

“State” means the State of West Virginia.

“Supplemental Resolution” means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article “the,” refers specifically to the supplemental resolution authorizing the sale of the Series 2011 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2011 Bonds, and not so included may be included in another Supplemental Resolution.

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

“System” means collectively, the existing combined waterworks and sewerage system of the Issuer, and shall include any additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever.

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project.
There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost not to exceed \$17,000,000, and ordered in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2011 A Bonds and the Series 2011 B Bonds, hereby authorized, shall be applied as provided in Article VI hereof.

The cost of the Project is estimated not to exceed \$17,000,000 of which not more than \$15,000,000 will be obtained from proceeds of the Series 2011 A Bonds, and not more than \$2,000,000 will be obtained from the proceeds of the Series 2011 B Bonds.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF BOND PURCHASE AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2011 Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2011 Bonds of the Issuer. The Series 2011 Bonds shall be issued in two series, each as a single bond, designated respectively as “Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program)”, in the principal amount of not more than \$15,000,000, and “Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B (West Virginia SRF Program)”, in the principal amount of not more than \$2,000,000 and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2011 Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2011 Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2011 Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Bond Purchase Agreement. The Series 2011 Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2011 Bonds, if any, shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2011 Bonds shall be issued in the form of a single bond for each series, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2011 Bonds. The Series 2011 Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such Bonds shall be dated and shall bear interest, if any, as specified in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2011 Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2011 Bonds shall cease to be such officer of the Issuer before the Series 2011 Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any such Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such

Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2011 Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2011 Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2011 Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2011 Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2011 Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2011 Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2011 Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2011 Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its

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

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2011 Bonds shall not, in any event, be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2011 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2011 Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service on the Series 2011 Bonds shall be secured by a first lien on the Gross Revenues derived from the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. The Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2011 Bonds and the Prior Bonds and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2011 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2011 Bonds to the original purchasers upon receipt of the documents set forth below:

- A. If other than the Authority, a list of the names in which the Series 2011 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;
- B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2011 Bonds to the original purchasers;
- C. An executed and certified copy of the Bond Legislation;
- D. An executed copy of the Bond Purchase Agreement; and

E. The unqualified approving opinions of bond counsel on the Series 2011 Bonds.

Section 3.10. Form of Bonds. The text of the Series 2011 Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Remainder of Page Intentionally Blank]

(FORM OF SERIES 2011 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CHARLES TOWN
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2011 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That on this the ____ day of _____, 2011, the CITY OF CHARLES TOWN, a municipal corporation and political subdivision of the State of West Virginia in Jefferson County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, the principal of, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 200__, to and including _____ 1, 20__ as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. . The SRF Administrative Fee of _____% (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing _____ 1, 20 __, as set forth on Exhibit B attached hereto.

This bond shall not bear interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Issuer, the Authority and the DEP, dated _____, 2011.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the sewerage portion of the existing combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds and related costs. The existing combined waterworks and sewerage system of the Issuer, the Project, and any further additions, betterments or

improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2011, and a Supplemental Resolution duly adopted by the Issuer on _____, 2011 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

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

1. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987 B, DATED NOVEMBER 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$413,629 (THE "SERIES 1987 B BONDS");
2. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-1, DATED MAY 4, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$295,916 (THE "SERIES 1988 B-1 BONDS");
3. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-2, DATED MAY 20, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$558,000 (THE "SERIES 1988 B-2 BONDS");
4. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1989 B, DATED APRIL 13, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$117,480 (THE "SERIES 1989 B BONDS");
5. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1998 (WEST VIRGINIA SRF PROGRAM), DATED SEPTEMBER 29, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$437,601 (THE "SERIES 1998 BONDS");
6. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,163,781 (THE "SERIES 2000 A BONDS");
7. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY),

DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,100,000 (THE "SERIES 2002 A BONDS");

8. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,600,000 (THE "SERIES 2002 B BONDS");
9. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 C (INSURED), DATED DECEMBER 1, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,135,000 (THE "SERIES 2002 C BONDS");
10. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (AMT - UNINSURED), DATED JANUARY 1, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,000,000 (THE "SERIES 2003 A BONDS");
11. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A (TAXABLE), DATED JUNE 15, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,355,000 (THE "SERIES 2005 A BONDS");
12. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 A (TAXABLE), DATED JANUARY 19, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,830,000 (THE "SERIES 2006 A BONDS");
13. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 B (TAX-EXEMPT), DATED JULY 27, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,000,000 (THE "SERIES 2006 B BONDS");
14. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2009 A (TAX-EXEMPT), DATED DECEMBER 1, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,120,000 (THE "SERIES 2009 A BONDS");
15. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$912,458 (THE "SERIES 2010 A BONDS");
16. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$100,000 (THE "SERIES 2010 B BONDS");

17. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,250,000 (THE "SERIES 2010 C BONDS");
18. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$500,000 (THE "SERIES 2010 D BONDS"); AND
19. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 B (WEST VIRGINIA SRF PROGRAM), DATED _____, 2011, ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 2011 B BONDS").

THE SERIES 1987 B BONDS, SERIES 1988 B-1 BONDS, SERIES 1988 B-2 BONDS, SERIES 1989 B BONDS, SERIES 1998 BONDS, SERIES 2000 A BONDS, SERIES 2002 A BONDS, SERIES 2002 B BONDS, SERIES 2002 C BONDS, SERIES 2003 A BONDS, SERIES 2005 A BONDS, SERIES 2006 A BONDS, SERIES 2006 B BONDS, SERIES 2010 A BONDS, SERIES 2010 B BONDS, SERIES 2010 C BONDS AND SERIES 2010 D BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenue in favor of the Holders of the Prior Bonds and the Series 2011 B Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2011 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Gross Revenues, the monies in the Series 2011 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds and the Series 2011 B Bonds; provided however, that so long as there exists in the Series 2011 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds and the Series 2011 B Bonds, an amount at least equal to the requirement therefor, such percentage may be

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

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

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

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the CITY OF CHARLES TOWN has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Clerk, and has caused this Bond to be dated as of the day and year first written above.

[SEAL]

Mayor

ATTEST:

Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2011 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2011.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

EXHIBIT A
RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$		(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL \$ _____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

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

Dated: _____, 20____.

In the presence of:

(FORM OF SERIES 2011 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CHARLES TOWN
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2011 B
(WEST VIRGINIA SRF PROGRAM)

No. BR-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That on this the ____ day of _____, 2011, the CITY OF CHARLES TOWN, a municipal corporation and political subdivision of the State of West Virginia in Jefferson County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, the principal of, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20____, to and including _____ 1, 20____ as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee of _____% (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing _____ 1, 20____, as set forth on Exhibit B attached hereto.

This bond shall not bear interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Issuer, the Authority and the DEP, dated _____, 2011.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the sewerage portion of the existing combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds and related costs. The existing public waterworks system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2011, and a Supplemental Resolution duly adopted by the Issuer on _____, 2011 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

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

1. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987 B, DATED NOVEMBER 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$413,629 (THE "SERIES 1987 B BONDS");
2. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-1, DATED MAY 4, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$295,916 (THE "SERIES 1988 B-1 BONDS");
3. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-2, DATED MAY 20, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$558,000 (THE "SERIES 1988 B-2 BONDS");
4. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1989 B, DATED APRIL 13, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$117,480 (THE "SERIES 1989 B BONDS");
5. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1998 (WEST VIRGINIA SRF PROGRAM), DATED SEPTEMBER 29, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$437,601 (THE "SERIES 1998 BONDS");
6. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 2000,

ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,163,781 (THE "SERIES 2000 A BONDS");

7. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,100,000 (THE "SERIES 2002 A BONDS");
8. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,600,000 (THE "SERIES 2002 B BONDS");
9. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 C (INSURED), DATED DECEMBER 1, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,135,000 (THE "SERIES 2002 C BONDS");
10. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (AMT - UNINSURED), DATED JANUARY 1, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,000,000 (THE "SERIES 2003 A BONDS");
11. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A (TAXABLE), DATED JUNE 15, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,355,000 (THE "SERIES 2005 A BONDS");
12. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 A (TAXABLE), DATED JANUARY 19, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,830,000 (THE "SERIES 2006 A BONDS");
13. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 B (TAX-EXEMPT), DATED JULY 27, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,000,000 (THE "SERIES 2006 B BONDS");
14. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2009 A (TAX-EXEMPT), DATED DECEMBER 1, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,120,000 (THE "SERIES 2009 A BONDS");
15. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$912,458 (THE "SERIES 2010 A BONDS");

16. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$100,000 (THE "SERIES 2010 B BONDS");
17. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,250,000 (THE "SERIES 2010 C BONDS");
18. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$500,000 (THE "SERIES 2010 D BONDS"); AND
19. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM), DATED _____, 2011, ISSUED SIMULTANEOUSLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$_____ (THE "SERIES 2011 A BONDS").

THE SERIES 1987 B BONDS, SERIES 1988 B-1 BONDS, SERIES 1988 B-2 BONDS, SERIES 1989 B BONDS, SERIES 1998 BONDS, SERIES 2000 A BONDS, SERIES 2002 A BONDS, SERIES 2002 B BONDS, SERIES 2002 C BONDS, SERIES 2003 A BONDS, SERIES 2005 A BONDS, SERIES 2006 A BONDS, SERIES 2006 B BONDS, SERIES 2009 A BONDS, SERIES 2010 A BONDS, SERIES 2010 B BONDS, SERIES 2010 C BONDS AND SERIES 2010 D BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenue in favor of the Holders of the Prior Bonds and the Series 2011 A Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2011 B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Gross Revenues, the monies in the Series 2011 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds and the Series 2011 A Bonds; provided however, that so long as there exists in the Series 2011 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and

interest, if any, which will become due on the Bonds in the then current or succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds and the Series 2011 A Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

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

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the CITY OF CHARLES TOWN has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Clerk, and has caused this Bond to be dated as of the day and year first written above.

[SEAL]

Mayor

ATTEST:

Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2011 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2011.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$		(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL \$ _____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

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

Dated: _____, 20__.

In the presence of:

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Bond Purchase Agreement. The Series 2011 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Bond Purchase Agreement in the form attached hereto as “Exhibit A” and made a part hereof, and the Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Bond Purchase Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Bond Purchase Agreement, including all schedules and exhibits attached thereto, is hereby approved and incorporated in this Bond Legislation.

Section 3.12. “Amended Schedule A” Filing. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Authority and the DEP a schedule the form of which will be provided by the DEP, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV
[RESERVED]

ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

- (1) Revenue Fund (established by the Prior Ordinance);
- (2) Operation and Maintenance Fund (established by the Prior Ordinance);
- (3) Renewal and Replacement Fund (established by the Prior Ordinance);
- (4) Rebate Fund (established by Prior Ordinance); and
- (5) Series 2011 Bonds Construction Trust Fund.

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

- (1) Series 1987 B Bonds Sinking Fund (established by Prior Ordinance);

- (2) Series 1987 B Bonds Reserve Account (established by Prior Ordinance);
- (3) Series 1988 B-1 Bonds Sinking Fund (established by Prior Ordinance);
- (4) Series 1988 B-1 Bonds Reserve Account (established by Prior Ordinance);
- (5) Series 1988 B-2 Bonds Sinking Fund (established by Prior Ordinance);
- (6) Series 1988 B-2 Bonds Reserve Account (established by Prior Ordinance);
- (7) Series 1989 B Bonds Sinking Fund (established by Prior Ordinance);
- (8) Series 1989 B Bonds Reserve Account (established by Prior Ordinance);
- (9) Series 1998 Bonds Sinking Fund (established by Prior Ordinance);
- (10) Series 1998 Bonds Reserve Account (established by Prior Ordinance);
- (11) Series 2000 A Bonds Sinking Fund (established by Prior Ordinance);
- (12) Series 2000 A Bonds Reserve Account (established by Prior Ordinance);
- (13) Series 2002 A Bonds Sinking Fund (established by Prior Ordinance);
- (14) Series 2002 A Bonds Reserve Account (established by Prior Ordinance);
- (15) Series 2002 B Bonds Sinking Fund (established by Prior Ordinance);
- (16) Series 2002 B Bonds Reserve Account (established by Prior Ordinance);
- (17) Series 2002 C Bonds Sinking Fund (established by Prior Ordinance);
- (18) Series 2002 C Bonds Reserve Account (established by Prior Ordinance);
- (19) Series 2003 A Bonds Sinking Fund (established by Prior Ordinance);
- (20) Series 2003 A Bonds Reserve Account (established by Prior Ordinance);

- (21) Series 2005 A Bonds Sinking Fund (established by Prior Ordinance);
- (22) Series 2005 A Bonds Reserve Account (established by Prior Ordinance);
- (23) Series 2006 A Bonds Sinking Fund (established by Prior Ordinance);
- (24) Series 2006 A Bonds Reserve Account (established by Prior Ordinance);
- (25) Series 2006 B Bonds Sinking Fund (established by Prior Ordinance);
- (26) Series 2006 B Bonds Reserve Account (established by Prior Ordinance);
- (27) Series 2009 A Bonds Sinking Fund (established by Prior Ordinance);
- (28) Series 2009 A Bonds Reserve Account (established by Prior Ordinance);
- (29) Series 2010 A Bonds Sinking Fund (established by Prior Ordinance);
- (30) Series 2010 A Bonds Reserve Account (established by Prior Ordinance);
- (31) Series 2010 B Bonds Sinking Fund (established by Prior Ordinance);
- (32) Series 2010 B Bonds Reserve Account (established by Prior Ordinance);
- (33) Series 2010 C Bonds Sinking Fund (established by Prior Ordinance);
- (34) Series 2010 C Bonds Reserve Account (established by Prior Ordinance);
- (35) Series 2010 D Bonds Sinking Fund (established by Prior Ordinance);
- (36) Series 2010 D Bonds Reserve Account (established by Prior Ordinance);
- (37) Series 2011 A Bonds Sinking Fund;
- (38) Series 2011 A Bonds Reserve Account;
- (39) Series 2011 B Bonds Reserve Account; and
- (40) Series 2011 B Bonds Sinking Fund.

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

(1) The Issuer shall first, each month on or before the due date, transfer from the Revenue Fund and remit to the Commission the amounts required to be paid by Prior Ordinance for the interest on the Series 1998 Bonds, Series 2000 A Bonds, Series 2002 A Bonds, Series 2002 B Bonds, Series 2002 C Bonds, Series 2003 A Bonds, Series 2005 Bonds, Series 2006 Bonds, Series 2009 A Bonds, Series 2010 A Bonds and Series 2010 B Bonds.

(2) The Issuer shall next, each month, transfer from the Revenue Fund and simultaneously remit to the Commission: (i) the amounts required to be paid by the Prior Ordinance for the principal on the Prior Bonds; (ii) commencing 4 months prior to the first date of payment of principal of the Series 2011 A Bonds for deposit in the Series 2011 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2011 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2011 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; and (iii) commencing 3 months prior to the first date of payment of principal of the Series 2011 B Bonds for deposit in the Series 2011 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2011 B Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2011 B Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, each month, transfer from the Revenue Fund and simultaneously remit to the Commission: (i) for deposit in the respective Reserve Accounts for the Prior Bonds the amounts required by Prior Ordinance; (ii) commencing 4 months prior to the first date of payment of principal of the Series 2011 A Bonds, if not fully funded upon issuance of the Series 2011 A Bonds, for deposit in the Series 2011 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2011 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2011 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2011 A Bonds Reserve Requirement; and (iii) commencing 4 months prior to the first date of payment of principal of the Series 2011 B Bonds, if not fully funded upon issuance of the Series 2011 B Bonds, for deposit in the Series 2011 B Bonds Reserve Account, an amount equal to 1/120th of

the Series 2011 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2011 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2011 B Bonds Reserve Requirement.

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

(5) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any reserve account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in as provided herein. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided that, any deficiencies in any reserve account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Monies in the Series 2011 A Bonds Sinking Fund and the Series 2011 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2011 Bonds as the same shall become due. Monies in the Series 2011 A Bonds Reserve Account and the Series 2011 B Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2011 Bonds as the same shall come due, when other monies in the Series 2011 A Bonds Sinking Fund and the Series 2011 B Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2011 A Bonds Sinking Fund, the Series 2011 B Sinking Fund, the Series 2011 A Bonds Reserve Account and the Series 2011 B Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2011 Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2011 Bonds and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2011 A Bonds Reserve Account or the Series 2011 B Bonds Reserve Account which result in a reduction in the balance of such accounts to below the respective Reserve Requirements, shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the priority as set forth above, all on a prorata basis.

As and when additional Bonds ranking on a parity with the Series 2011 Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity

and to accumulate a balance in the respective reserve account in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2011 A Bonds Sinking Fund, the Series 2011 B Bonds Sinking Fund, the Series 2011 A Bonds Reserve Account or the Series 2011 B Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2011 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

The Issuer covenants and agrees to transfer moneys in the Series 1998 Bonds Reserve Account to the Series 2011 B Bonds Reserve Account upon maturity of the Series 1998 Bonds. The Issuer covenants and agrees not to use the Series 1998 Bonds Reserve Account for the final payment of the Series 1998 Bonds.

The Issuer covenants and agrees to transfer moneys in the Series 2000 A Bonds Reserve Account to the Series 2011 B Bonds Reserve Account upon maturity of the Series 2000 A Bonds. The Issuer covenants and agrees not to use the Series 2000 A Bonds Reserve Account for the final payment of the Series 2000 A Bonds.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds, the Series 2011 A Bonds and the Series 2011 B Bonds, in accordance with the principal amounts then outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2011 A Bonds Sinking Fund, the Series 2011 B Bonds Sinking Fund, the Series 2011 A Bonds Reserve Account and the Series 2011 B Bonds Reserve Account, created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. The Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2011 A Bonds Sinking Fund, the Series 2011 B Bonds Sinking Fund, the Series 2011 A Bonds Reserve Account and the Series 2011 B Bonds Reserve Account, shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2011 A Bonds Sinking Fund, the Series 2011 A Bonds Reserve Account, the Series 2011 B Bonds Sinking Fund and the Series 2011 B Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2011 Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest, if any, and reserve payments with respect to the Series 2011 Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The

Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the SRF Administrative Fee as set forth in the Schedule Y attached to the Bond Purchase Agreement for the Series 2011 Bonds.

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

D. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Bond Purchase Agreement, and submit a copy of said form along with a copy of its payment check to the Authority by the 5th day of such calendar month.

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

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

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

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

ARTICLE VI
BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2011 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2011 Bonds, there shall be deposited with the Commission in the respective Bonds Reserve Accounts, the amount, if any, set forth in the Supplemental Resolution for funding of the respective Bonds Reserve Account.

B. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2011 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2011 Bonds Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2011 A Bonds.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2011 B Bonds, such monies shall be deposited with the Depository Bank in the Series 2011 Bonds Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2011 B Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2011 Bonds shall be expended as approved by the DEP.

Section 6.02. Disbursements of Bond Proceeds. On or before the Closing Date, the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the Series 2011 Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly. Invoices for which repayment from the Series 2011 Bonds Construction Trust Fund will be sought must be first approved by the Issuer.

Except as provided in Section 6.01 hereof, disbursements from the Series 2011 Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP of a completed and signed "Payment Requisition Form," a form of which is attached to the Bond Purchase Agreement, in compliance with the construction schedule.

Pending such application, monies in the Series 2011 Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII **ADDITIONAL COVENANTS OF THE ISSUER**

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any

Holder or Holders of the Series 2011 Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2011 Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2011 Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2011 Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2011 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2011 Bonds, or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service on the Series 2011 Bonds shall be secured by a first lien on the Gross Revenues derived from the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. The Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2011 Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Bond Purchase Agreement and the Issuer shall supply a certificate of Certified Public Accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the water rate ordinance of the Issuer enacted on April 15, 2008 and the sewer rate ordinance of the Issuer enacted August 7, 2006 which rates are incorporated herein by reference as a part hereof.

So long as the Series 2011 Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Bond Purchase Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2011 Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Bond Purchase Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Bond Purchase Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, lease, mortgage or in any manner dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinance and as provided herein and with the written consent of the Authority and the DEP. So long as the Series 2011 Bonds are

outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2011 Bonds, immediately be remitted to the Commission for deposit in the Series 2011 A Bonds Sinking Fund, and the Series 2011 B Bonds Sinking Fund respectively and pro rata with respect to the principal amount of each of the Bonds then outstanding and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2011 A Bonds and the Series 2011 B Bonds in accordance with Article X hereof. Any balance remaining after the payment of the Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of \$10,000, the Issuer shall, by resolution duly adopted, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, in writing, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of \$10,000 and not in excess of \$50,000, shall be deposited in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2011 Bonds. All obligations issued by the Issuer after the issuance of the Series 2011 Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to

lien on and source of and security for payment from such revenues and in all other respects, to the Series 2011 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2011 Bonds, and the interest, if any, thereon, upon any of the income and revenues of the System pledged for payment of the Series 2011 Bonds and the interest, if any, thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinance shall be applicable. In addition, no additional Parity Bonds payable out of the revenues of the System, shall be issued after the issuance of the Series 2011 Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the DEP and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinance).

All Parity Bonds issued hereafter shall be on a parity in all respects with the Series 2011 Bonds.

No Parity Bonds shall be issued except for the purposes of financing the costs of design, acquisition and construction of additions, betterments or improvements to the System or refunding the Bonds issued pursuant hereto, or both such purposes.

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

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

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

The Net Revenues actually derived from the System during the 12-consecutive-month period herein above referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, as stated in a certificate filed with the Clerk, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

All the covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2011 Bonds and the Holders of any Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the System, and their source of and security for payment from said Gross Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the revenues of the System of which is subject to the prior and superior lien of the Series 2011 Bonds on such revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from the Gross Revenues remaining after all payments required to be made in accordance with this Bond Legislation have first been paid. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such revenues, with the Series 2011 Bonds except in the manner and under the conditions provided in this section.

No Parity Bonds shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Bond Legislation on account of the Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of issuance of the Parity Bonds and the Issuer is then in full compliance with all the covenants, agreements and terms of this Bond Legislation and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency in such payments.

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the DEP, or their agents and

representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the DEP such documents and information as they may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

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

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

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

The Issuer shall file with the Authority and the DEP, or any other original purchaser of the Series 2011 Bonds, and shall mail in each year to any Holder or Holders of the Series 2011 Bonds, requesting the same, an annual report containing the following:

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2011 Bonds and shall submit the report to the Authority and the DEP, or any other original purchaser of the Series 2011 Bonds. Such audit report submitted

to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Bond Purchase Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Bond Purchase Agreement and the Act, the Issuer has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared by the Consulting Engineers. All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

The Issuer shall permit the Authority and the DEP, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction and commencement of operation of the Project, the Issuer shall also provide the Authority and the DEP, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the DEP with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the Series 2011 Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2011 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2011 Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirement are on deposit respectively in the Series 2011 A Bonds Reserve Account and Series 2011 B Bonds Reserve Account and reserve accounts for obligations on a parity with the Series 2011 Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2011 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2011 Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance currently in effect.

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

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the DEP within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority, the DEP and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority, the DEP and any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

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

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Bond Purchase Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority and the DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the DEP is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the Authority and the DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall

certify to the Authority, the DEP and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Bond Purchase Agreement for the Series 2011 Bonds as Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

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

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

The Issuer will serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer will not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority (the "Authority"). Following completion of the Project the Issuer will certify to the Authority the number of customers added to the System.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System to all users of

the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

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

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2011 Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the greater of the fair appraised value or the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. In the event of any damage to or destruction of any portion of the System, the proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repair or reconstruction of such damages or destroyed portion or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Bond Purchase Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the prime contractor and subcontractors, as their interests may appear.

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND

PAYMENT BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Issuer and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

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

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

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

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

The Issuer shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the DEP, and the Issuer shall verify such insurance prior to commencement of construction. In the event the Bond Purchase Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

Section 7.16. Mandatory Connections. The mandatory use of the sewerage portion of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by

the System, and every such owner, tenant or occupant shall, after a 20-day notice of the availability of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or water-borne waste matter and which is not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

Section 7.17. Completion of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the DEP necessary for the acquisition and construction of the Project and the operation of the System and all approvals for the issuance of the Series 2011 Bonds required by State law, with all appeal periods having expired without successful appeal.

Section 7.18. Compliance with Bond Purchase Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Bond Purchase Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP with copies of all documents submitted to the Authority. The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the DEP or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia.

Section 7.19. [RESERVED]

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

Section 7.21. Contracts; Change Orders; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2011 Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 2011 Bonds held in “contingency” as set forth in the schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the

DEP before expending any proceeds of the Series 2011 Bonds made available due to bid or construction or project underruns.

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

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2011 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2011 Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

ARTICLE VIII **INVESTMENT OF FUNDS**

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2011 Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 2011 Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use Proceeds; Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2011 Bonds as a condition to issuance of the Series 2011 Bonds.

In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2011 Bonds as may be necessary in order to maintain the status of the Series 2011 Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2011 Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the DEP, as the case may be, from which the proceeds of the Series 2011 Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the DEP, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall annually furnish to the Authority, information with respect to the Issuer's use of the proceeds of the Series 2011 Bonds and any additional information requested by the Authority.

ARTICLE IX **DEFAULT AND REMEDIES**

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2011 Bonds:

- (1) If default occurs in the due and punctual payment of the principal of or interest, if any, on any Series 2011 Bonds;
- (2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2011 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2011 Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond;
- (3) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or
- (4) If default occurs with respect to the Prior Bonds or the Prior Ordinance.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit

for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Registered Owners of the Series 2011 Bonds shall be on a parity with those of the Registered Owners of the Prior Bonds.

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

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

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

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

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

ARTICLE X **PAYMENT OF BONDS**

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holders of the Series 2011 Bonds, the principal of and interest, if any, due or to become due thereon, if any, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Gross Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2011 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2011 Bonds from gross income for federal income tax purposes.

ARTICLE XI **MISCELLANEOUS**

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2011 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2011 Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2011 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2011 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2011 Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2011 Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Series 2011 Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2011 Bonds.

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

Section 11.05. Conflicting Provisions Repealed. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided that, this Section shall not be applicable to the Prior Ordinance. In the event of any conflict between this Ordinance and the Prior Ordinance, the Prior Ordinance shall control (unless less restrictive) so long as the Prior Bonds are outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the Clerk and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the *Spirit of Jefferson Advocate*, a newspaper of general circulation in the City of Charles Town, there being no newspaper published therein, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

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Section 11.09 Effective Date. This Ordinance shall take effect immediately following the public hearing hereon.

Passed on First Reading: March 21, 2011

Passed on Second Reading: April 4, 2011

Passed on Final Reading
Following Public
Hearing: May 16, 2011



Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF CHARLES TOWN, as supplemented on the 16th day of May, 2011.

Dated: July 22, 2011.

[SEAL]



Clerk

EXHIBIT A

Bond Purchase Agreement included in bond transcript as Document 3

CITY OF CHARLES TOWN

Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A; and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISIONS, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM) AND THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 B (WEST VIRGINIA SRF PROGRAM) OF THE CITY OF CHARLES TOWN; APPROVING A CONFORMED ORDINANCE; APPROVING AND RATIFYING THE BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the city council (the "Governing Body") of the City of Charles Town (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective May 16, 2011 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING SEWERAGE PORTION OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF CHARLES TOWN AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF CHARLES TOWN OF NOT MORE THAN \$17,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A

BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS;
AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND
PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS
RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), of the Issuer (the "Series 2011 A Bonds"), in the aggregate principal amount not to exceed \$17,000,000 in one or more series;

WHEREAS, it is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Revenue Bonds, in the total aggregate principal amount of not more than \$17,000,000 in two or more series (collectively, the "Series 2011 Bonds") initially planned to be (i) the Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program) in the aggregate principal amount of not more than \$15,000,000 (the "Series 2011 A Bonds"); and (ii) the Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B (West Virginia SRF Program) in the aggregate principal amount of not more than \$2,000,000, (the "Series 2011 B Bonds") to permanently finance the costs of acquisition and construction of the Project, and pay the costs of issuance thereof;

WHEREAS, the Issuer has authorized the execution and delivery of a bond purchase agreement relating to the Series 2011 Bonds, including all schedules and exhibits attached thereto (collectively, the "Bond Purchase Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), all in accordance with Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Bond Purchase Agreement and the exact principal amount, date, maturity date, redemption provisions, interest rate, interest and principal payment dates, sale price and other terms of the Series 2011 Bonds should be established by a supplemental resolution pertaining to the Series 2011 Bonds; and that other matters relating to the Series 2011 Bonds be herein provided for;

WHEREAS, the Issuer desires to amend the Bond Ordinance through this Supplemental Resolution and Conformed Ordinance (collectively, the "Bond Legislation");

WHEREAS, the Bond Purchase Agreement has been presented to the Issuer at this meeting;

WHEREAS, the Series 2011 Bonds are proposed to be purchased by the Authority pursuant to the Bond Purchase Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Bond Purchase Agreement be approved and ratified by the Issuer, that the exact principal amounts, the dates, the maturity dates, the redemption provisions, the interest rates, the interest and principal payment dates and the sale prices of the Series 2011 Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2011 Bonds be herein provided for;

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

Section 1. The Issuer hereby approves the Conformed Bond Ordinance attached hereto as Exhibit A.

Section 2. A. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the original aggregate principal amount of \$13,147,192. The Series 2011 A Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2041, and shall bear no interest. The principal of the Series 2011 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2014, to and including June 1, 2041, and in the amounts as set forth in the "Schedule Y" attached to the Bond Purchase Agreement for the Series 2011 A Bonds and incorporated in and made a part of the Series 2011 A Bonds. The Series 2011 A Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Bond Purchase Agreement, so long as the Authority shall be the registered owner of the Series 2011 A Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to 1/2% of the principal amount of the Series 2011 A Bonds set forth in "Schedule Y" attached to the Bond Purchase Agreement.

B. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered BR-1, in the original aggregate principal amount of \$2,000,000. The Series 2011 B Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2031, and shall bear no interest. The principal of the Series 2011 B Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2018, to and including December 1, 2031, and in the amounts as set forth in the "Schedule Y" attached to the Bond Purchase Agreement for the Series 2011 B Bonds and incorporated in and made a part of the Series 2011 B Bonds. The Series 2011 B Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Bond Purchase Agreement, so long as the Authority shall be the registered owner of the Series 2011 B Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to 1/2% of the principal amount of the Series 2011 B Bonds set forth in "Schedule Y" attached to the Bond Purchase Agreement.

Section 3. All other provisions relating to the Series 2011 Bonds and the text of the Series 2011 Bonds shall be in substantially the forms provided in the Bond Ordinance.

Section 4. The Issuer does hereby authorize, approve, ratify and accept the Bond Purchase Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Bond Purchase Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Bond Purchase Agreement and in the applications to the DEP and the Authority. The price of the Series 2011 Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2011 Bonds shall be advanced from time to time as requisitioned by

the Issuer.

Section 5. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2011 Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2011 Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 6. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2011 Bonds under the Bond Ordinance.

Section 7. The Issuer does hereby appoint and designate United Bank, Charles Town, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 8. Series 2011 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2011 A Bonds Sinking Fund, as capitalized interest.

Section 9. Series 2011 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2011 A Bonds Reserve Account.

Section 10. The balance of the proceeds of the Series 2011 A Bonds shall be deposited in or credited to the Series 2011 Bonds Construction Trust Fund for payment of the costs of the Project, including, without limitation, costs of issuance of the Series 2011 A Bonds and related costs.

Section 11. Series 2011 B Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2011 B Bonds Sinking Fund, as capitalized interest.

Section 12. Series 2011 B Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2011 B Bonds Reserve Account.

Section 13. The balance of the proceeds of the Series 2011 B Bonds shall be deposited in or credited to the Series 2011 Bonds Construction Trust Fund for payment of the costs of the Project, including, without limitation, costs of issuance of the Series 2011 B Bonds and related costs.

Section 14. The Issuer instructs the Commission to transfer moneys in the Series 1998 Bonds Reserve Account to the Series 2011 B Bonds Reserve Account when the Series 1998 Bonds are paid in full. The Issuer covenants and agrees not to use the Series 1998 Bonds Reserve Account for the final payment of the Series 1998 Bonds.

Section 15. The Issuer instructs the Commission to transfer moneys in the Series 2000 A Bonds Reserve Account to the Series 2011 B Bonds Reserve Account when the Series 2000 A Bonds are paid in full. The Issuer covenants and agrees not to use the Series 2000 A Bonds Reserve Account for the final payment of the Series 2000 A Bonds.

Section 16. The Mayor and the Clerk are hereby authorized and directed to execute and

deliver such other documents and certificates required or desirable in connection with the Series 2011 Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Series 2011 Bonds may be delivered on or about July 22, 2011, to the Authority pursuant to the Bond Purchase Agreement.

Section 17. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Series 2011 Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 18. The Issuer does hereby approve and authorize all contracts relating to the financing, acquisition and construction of the Project.

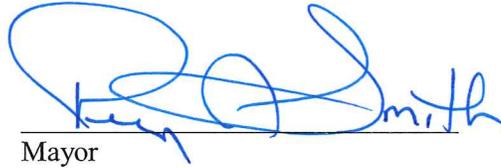
Section 19. The Issuer hereby approves and accepts Steptoe & Johnson PLLC, Charleston, West Virginia, as bond counsel for the Project.

Section 20. The Issuer hereby authorizes the Utility Board to requisition proceeds of the Bonds.

Section 21. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 5th day of July, 2011.

A handwritten signature in blue ink, appearing to read "Ken Smith". The signature is written in a cursive style with a large initial "K" and "S".

Ken Smith

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of Charles Town on the 5th day of July, 2011.

Dated: July 22, 2011.

[SEAL]


Clerk

144220.00016

EXHIBIT A
Conformed Bond Ordinance
(See Tab 1 of Transcript)

SRF-BPA-1
(01/11)

BOND PURCHASE AGREEMENT

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

CITY OF CHARLES TOWN
(C-544392-02/2008S-1069)
(Local Government)

W I T N E S S E T H:

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

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

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

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

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

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

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

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

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

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

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

WHEREAS, the Local Government meets the “disadvantaged community” provisions of the SRF Regulations.

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

ARTICLE I

Definitions

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

1.2 “Consulting Engineers” means the professional engineer, licensed by the State, designated in the Application and any successor thereto.

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

1.4 “Local Bonds” means the revenue bonds to be issued by the Local Government pursuant to the provisions of the Local Statute, as hereinafter defined, and to be purchased by the Authority with money held in the Fund, all in accordance with the provisions of this Bond Purchase Agreement.

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

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

1.7 “Program” means the wastewater treatment facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Clean Water Act and administered by DEP.

1.8 “Project” means the wastewater treatment facility project hereinabove referred to, to be constructed or being constructed by the Local Government in whole or in part with the net proceeds of the Local Bonds or being or having been constructed by the Local Government in whole or in part with the proceeds of bond anticipation notes or other

interim financing, which is to be paid in whole or in part with the net proceeds of the Local Bonds.

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

1.10 “System” means the wastewater treatment facility owned by the Local Government, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

1.11 Additional terms and phrases are defined in this Bond Purchase Agreement as they are used.

ARTICLE II

The Project and the System

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

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

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

2.4 The Local Government agrees that the Authority and DEP and their respective duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Local

Government further agrees that the Authority and DEP and their respective duly authorized agents shall, prior to, during and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and DEP with respect to the System pursuant to the pertinent provisions of the Act.

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

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

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

2.8 The Local Government shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and DEP and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Local Government, the Local Government or (at the option of the Local Government) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Local Government, the prime contractor and all subcontractors, as their

interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Local Government on or before the Date of Closing, as hereinafter defined, and maintained so long as any of the Local Bonds are outstanding. Prior to commencing operation of the Project, the Local Government must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

2.9 The Local Government shall provide and maintain competent and adequate engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, DEP and the Local Government at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Government shall require the Consulting Engineers to submit Record Drawings, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Local Government shall notify DEP in writing of such receipt. The Local Government shall submit a Performance Certificate, the form of which is attached hereto as Exhibit A, and being incorporated herein by reference, to DEP within 60 days of the end of the first year after the Project is completed.

2.10 The Local Government shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to DEP when the Project is 90% completed. The Local Government shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Government shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator(s) to operate the System during the entire term of this Bond Purchase Agreement. The Local Government shall notify DEP in writing of the certified operator employed at the 50% completion stage.

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

2.12 The Local Government, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project, shall each month complete a Monthly Financial

Report, the form of which is attached hereto as Exhibit B and incorporated herein by reference, and forward a copy by the 10th of each month to the DEP and the Authority.

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

ARTICLE III

Conditions to Purchase of Local Bonds; Issuance of Local Bonds

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

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

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

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

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

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

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

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

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

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

(j) The net proceeds of the Local Bonds, together with all moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been entered, to be deposited on a date certain) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and

acquisition of the Project as set forth in the Application, and the Authority and DEP shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of wastewater treatment projects and satisfactory to the Authority and DEP, to such effect, such certificate to be in form and substance satisfactory to the Authority and DEP, and evidence satisfactory to the Authority and DEP of such irrevocably committed grants.

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

3.3 The Local Bonds shall be secured and shall be repaid in the manner hereinafter provided in this Bond Purchase Agreement.

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Local Government by written notice to the Authority, which written notice shall be given not less than ten (10) business days prior to the date designated; provided, however, that if the Authority is unable to accept delivery on the date designated, the Local Bonds shall be delivered to the Authority on a date as close as possible to the designated date and mutually agreeable to the Authority, DEP and the Local Government. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Closing." Notwithstanding the foregoing, the Date of Closing shall in no event occur more than ninety (90) days after the date of execution of this Bond Purchase Agreement by the Authority or such later date as is agreed to in writing by DEP.

3.5 The Local Government understands and acknowledges that it is one of several local governments which have applied to the Authority and DEP for financing of wastewater treatment projects and that the obligation of the Authority to purchase the Local Bonds is subject to the Local Government's fulfilling all of the terms and conditions of this Bond Purchase Agreement on or prior to the Date of Closing and to the requirements of the Program. The Local Government specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to such purchase, the Authority may purchase the bonds of other

local governments set out in the State Project Priority List, as defined in the SRF Regulations. The Local Government further specifically recognizes that all bonds will be purchased in conjunction with the SRF Regulations and with the prior approval of DEP.

3.6 The Local Government shall provide DEP with the appropriate documentation to comply with the special conditions regarding the public release and audit requirements, established by federal and State regulations as set forth in Exhibit E attached hereto at such times as are set forth therein.

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the "Reserve Account") was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof in an amount equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits

or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

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

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

(b) Covenants substantially as follows:

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

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

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

(iv) That, except as otherwise required by State law or the SRF Regulations, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole or substantially as a whole, provided that the net proceeds to be realized from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local Bonds outstanding and further provided that portions of the System when no longer required

for the ongoing operation of such System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

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

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

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

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

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

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

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

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

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

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

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

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

(xvii) That the Local Government shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payment. The Local Government shall complete the Monthly Payment Form, attached hereto as Exhibit

F and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month;

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

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

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

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

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

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

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

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

4.5 As provided by the SRF Regulations, the Local Government agrees to pay from time to time, if required by the Authority and DEP, the Local Government's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be determined by the Authority and shall include, without limitation, Program expenses, legal fees paid by the Authority and fees paid to the trustee and paying agents for any bonds or notes to be issued by the Authority for contribution to the Fund and the fees and expenses of any corporate trustee for the Fund.

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

ARTICLE V

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

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

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

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

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

ARTICLE VI

Other Agreements of the Local Government

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

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

6.3 The Local Government hereby agrees to repay on or prior to the Date of Closing any moneys due and owing by it to the Authority or any other lender for the planning or design of the Project, provided that such repayment shall not be made from the proceeds of the Local Bonds.

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

desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Local Bonds.

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

6.6 The Local Government hereby agrees to give the Authority and DEP prior written notice of the issuance by it of any other obligations to be used for the System, payable from the revenues of the System or from any grants for the Project or otherwise related to the Project or the System.

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

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

7.7 This Bond Purchase Agreement shall terminate upon the earlier of:

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

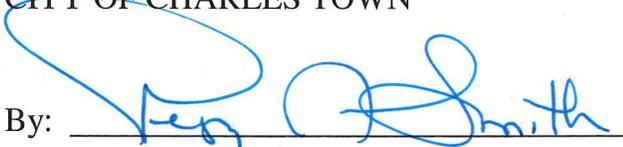
(ii) the end of ninety (90) days after the date of execution hereof by the Authority or such later date as is agreed to in writing by DEP if the Local Government has failed to deliver the Local Bonds to the Authority;

(iii) termination by the Authority and DEP pursuant to Section 6.2 hereof; or

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

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

CITY OF CHARLES TOWN

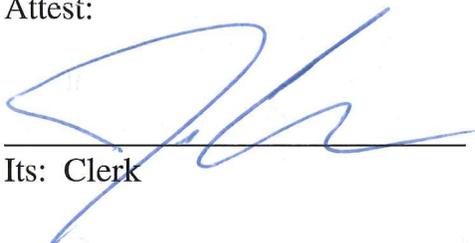
By: 

Its: Mayor

Date: July 22, 2011

(SEAL)

Attest:


Its: Clerk

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

By: 

Its: Director

Date: July 22, 2011

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: 

Its: Executive Director

Date: July 22, 2011

(SEAL)

Attest:


Its: Authorized Officer

EXHIBIT A

FORM OF PERFORMANCE CERTIFICATE

[To Be Provided By DEP]

EXHIBIT B

MONTHLY FINANCIAL REPORT

Name of Local Government _____
 Name of Bond Issue(s) _____
 Type of Project _____ Water _____ Wastewater _____
 Fiscal Year _____ Report Month _____

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

 Name of Person Completing Form

 Address

 Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

Item 1 You will need a copy of the current fiscal year budget adopted by the Local Government to complete Items 1 and 2. In Item 1, provide the amount of actual **Gross Revenues** for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of \$1,200 are anticipated to be received for the year, each month the base would be increased by \$100 ($\$1,200/12$). This is the incremental amount for the Budget Year-to-Date column.

Item 2 Provide the amount of actual **Operating Expenses** for the current month and the total amount year-to-date in the respective columns. Any administrative fee should be included in the Operating Expenses. Divide the budgeted annual Operating Expenses by 12. For example, if Operating Expenses of \$900 are anticipated to be incurred for the year, each month the base would be increased by \$75 ($\$900/12$). This is the incremental amount for the Budget Year-to-Date column.

Item 3 Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Local Government according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.

Item 4 Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are \$1,200, then \$30 (2.5% of \$1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Local Government.

The Local Government must complete the Monthly Financial Report and forward it to the Water Development Authority by the 10th day of each month, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project.

EXHIBIT C

PAYMENT REQUISITION FORM

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

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

(Issuer)

(Name of Bonds)

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

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

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

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

forth in Schedule attached hereto as Exhibit A, and my firm¹ has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof², the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Bond Purchase Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

WITNESS my signature and seal on this _____ day of _____, _____.

By _____
West Virginia License No. __

[SEAL]

¹If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of _____, Esq.] and delete "my firm has ascertained that".

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

EXHIBIT E

SPECIAL CONDITIONS

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

B. AUDIT REQUIREMENT (Supplement to Article IV 4.1 (b) (xi)) – Effective October 1, 2003, the Local Government that receives \$500,000 or more (in federal funds) in a fiscal year must obtain audits in accordance with the Single Audit Act and the applicable OMB Circular or any successor thereto. Financial statement audits are required once all funds have been received by the Local Government.

C. ASSET MANAGEMENT – The Local Government shall submit an acceptable asset management plan to DEP no later than six months following substantial completion of the Project. This requirement shall be included in the bond closing documents.

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

E. RESERVE FUND – The Local Government shall include a covenant in its bond closing documents that either (i) upon final payment of the Series 1998 B-1 Bonds and Series 2000 A Bonds, respectively, the monies in the respective Reserve Accounts for such Bonds shall be transferred by the Municipal Bond Commission to the Series 2011 B Reserve Account or (ii) the Local Government shall make required Reserve Account payments as provided herein and in the Ordinance.

EXHIBIT F

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest \$_____

Principal \$_____

Total: \$_____

Reserve Account: \$_____

Witness my signature this ___ day of _____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

OPINION OF BOND COUNSEL FOR LOCAL GOVERNMENT

[To Be Dated as of Date of Closing]

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

West Virginia Department of Environmental Protection
601 57th Street
Charleston, WV 25304

Ladies and Gentlemen:

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

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

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

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond _____ duly adopted or enacted by the Local Government on _____, as supplemented by the supplemental resolution duly adopted by the Local Government on _____

(collectively, the “Local Act”), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Bond Purchase Agreement has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Bond Purchase Agreement.

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

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

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

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

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

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

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

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

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

A. Series A Bonds

Principal Amount of Local Bonds \$13,147,192
Purchase Price of Local Bonds \$13,147,192

The Local Bonds shall bear no interest. Commencing March 1, 2014, principal of the Local Bonds is payable quarterly, with an administrative fee of 0.5%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference. Payment to the Municipal Bond Commission shall begin December 1, 2013.

B. Series B Bonds

Principal Amount of Local Bonds \$2,000,000
Purchase Price of Local Bonds \$2,000,000

The Local Bonds shall bear no interest. Commencing March 1, 2018, principal of the Local Bonds is payable quarterly, with an administrative fee of 0.5%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference. Payment to the Municipal Bond Commission shall begin December 1, 2017.

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

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

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

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

- (i) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of \$413,629;
- (ii) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of \$295,916;
- (iii) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of \$558,000;
- (iv) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of \$117,480;
- (iv) City of Charles Town Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of \$437,601;
- (v) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of \$3,163,781 ;
- (vi) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of \$1,100,000;

- (vii) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of \$3,600,000;
- (ix) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 C (Insured), dated December 1, 2002, issued in the original aggregate principal amount of \$4,135,000;
- (x) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (AMT - Uninsured), dated January 1, 2003, issued in the original aggregate principal amount of \$1,000,000;
- (xi) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A (Taxable), dated June 15, 2005, issued in the original aggregate principal amount of \$2,355,000;
- (xii) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 A (Taxable), dated January 19, 2006, issued in the original aggregate principal amount of \$1,830,000;
- (xiii) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 B (Tax-Exempt), dated July 27, 2006, issued in the original aggregate principal amount of \$2,000,000;
- (xiv) City of Charles Town Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2009 A (Tax-Exempt), dated December 1, 2009, issued in the original aggregate principal amount of \$7,120,000;
- (xv) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010, issued in the original aggregate principal amount of \$912,458;
- (xvi) City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA), dated January 13, 2010, issued in the original aggregate principal amount of \$100,000;
- (xvii) City of Charles Town Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of \$1,250,000; and

(xviii) City of Charles Town Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of \$500,000.

Number of New Customers: 0

Location: NA

This Bond
 Revised 2014
 Paid down by
 SB 245 grant

**SCHEDULE Y
 DEBT SERVICE SCHEDULES**

NET DEBT SERVICE						
City of Charles Town						
SRF						
\$13,147,192						
0% Interest Rate						
0.5% Administrative Fee						
27.5 Years						
Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
3/1/2014	119,520		119,520	8,291.69	11,952	139,763.69
6/1/2014	119,520		119,520	8,291.69	11,952	139,763.69
9/1/2014	119,520		119,520	8,291.69	11,952	139,763.69
12/1/2014	119,520		119,520	8,291.69	11,952	139,763.69
3/1/2015	119,520		119,520	8,291.69	11,952	139,763.69
6/1/2015	119,520		119,520	8,291.69	11,952	139,763.69
9/1/2015	119,520		119,520	8,291.69	11,952	139,763.69
12/1/2015	119,520		119,520	8,291.69	11,952	139,763.69
3/1/2016	119,520		119,520	8,291.69	11,952	139,763.69
6/1/2016	119,520		119,520	8,291.69	11,952	139,763.69
9/1/2016	119,520		119,520	8,291.69	11,952	139,763.69
12/1/2016	119,520		119,520	8,291.69	11,952	139,763.69
3/1/2017	119,520		119,520	8,291.69	11,952	139,763.69
6/1/2017	119,520		119,520	8,291.69	11,952	139,763.69
9/1/2017	119,520		119,520	8,291.69	11,952	139,763.69
12/1/2017	119,520		119,520	8,291.69	11,952	139,763.69
3/1/2018	119,520		119,520	8,291.69	11,952	139,763.69
6/1/2018	119,520		119,520	8,291.69	11,952	139,763.69
9/1/2018	119,520		119,520	8,291.69	11,952	139,763.69
12/1/2018	119,520		119,520	8,291.69	11,952	139,763.69
3/1/2019	119,520		119,520	8,291.69	11,952	139,763.69
6/1/2019	119,520		119,520	8,291.69	11,952	139,763.69
9/1/2019	119,520		119,520	8,291.69	11,952	139,763.69
12/1/2019	119,520		119,520	8,291.69	11,952	139,763.69
3/1/2020	119,520		119,520	8,291.69	11,952	139,763.69
6/1/2020	119,520		119,520	8,291.69	11,952	139,763.69
9/1/2020	119,520		119,520	8,291.69	11,952	139,763.69
12/1/2020	119,520		119,520	8,291.69	11,952	139,763.69
3/1/2021	119,520		119,520	8,291.69	11,952	139,763.69
6/1/2021	119,520		119,520	8,291.69	11,952	139,763.69
9/1/2021	119,520		119,520	8,291.69	11,952	139,763.69
12/1/2021	119,520		119,520	8,291.69	11,952	139,763.69
3/1/2022	119,520		119,520	8,291.69	11,952	139,763.69
6/1/2022	119,520		119,520	8,291.69	11,952	139,763.69
9/1/2022	119,520		119,520	8,291.69	11,952	139,763.69
12/1/2022	119,520		119,520	8,291.69	11,952	139,763.69
3/1/2023	119,520		119,520	8,291.69	11,952	139,763.69
6/1/2023	119,520		119,520	8,291.69	11,952	139,763.69
9/1/2023	119,520		119,520	8,291.69	11,952	139,763.69
12/1/2023	119,520		119,520	8,291.69	11,952	139,763.69
3/1/2024	119,520		119,520	8,291.69		127,811.69
6/1/2024	119,520		119,520	8,291.69		127,811.69
9/1/2024	119,520		119,520	8,291.69		127,811.69
12/1/2024	119,520		119,520	8,291.69		127,811.69
3/1/2025	119,520		119,520	8,291.69		127,811.69
6/1/2025	119,520		119,520	8,291.69		127,811.69

NET DEBT SERVICE

City of Charles Town

SRF

\$13,147,192

0% Interest Rate

0.5% Administrative Fee

27.5 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
9/1/2025	119,520		119,520	8,291.69		127,811.69
12/1/2025	119,520		119,520	8,291.69		127,811.69
3/1/2026	119,520		119,520	8,291.69		127,811.69
6/1/2026	119,520		119,520	8,291.69		127,811.69
9/1/2026	119,520		119,520	8,291.69		127,811.69
12/1/2026	119,520		119,520	8,291.69		127,811.69
3/1/2027	119,520		119,520	8,291.69		127,811.69
6/1/2027	119,520		119,520	8,291.69		127,811.69
9/1/2027	119,520		119,520	8,291.69		127,811.69
12/1/2027	119,520		119,520	8,291.69		127,811.69
3/1/2028	119,520		119,520	8,291.69		127,811.69
6/1/2028	119,520		119,520	8,291.69		127,811.69
9/1/2028	119,520		119,520	8,291.69		127,811.69
12/1/2028	119,520		119,520	8,291.69		127,811.69
3/1/2029	119,520		119,520	8,291.69		127,811.69
6/1/2029	119,520		119,520	8,291.69		127,811.69
9/1/2029	119,520		119,520	8,291.69		127,811.69
12/1/2029	119,520		119,520	8,291.69		127,811.69
3/1/2030	119,520		119,520	8,291.69		127,811.69
6/1/2030	119,520		119,520	8,291.69		127,811.69
9/1/2030	119,520		119,520	8,291.69		127,811.69
12/1/2030	119,520		119,520	8,291.69		127,811.69
3/1/2031	119,520		119,520	8,291.69		127,811.69
6/1/2031	119,520		119,520	8,291.69		127,811.69
9/1/2031	119,520		119,520	8,291.69		127,811.69
12/1/2031	119,520		119,520	8,291.69		127,811.69
3/1/2032	119,520		119,520	8,291.69		127,811.69
6/1/2032	119,520		119,520	8,291.69		127,811.69
9/1/2032	119,520		119,520	8,291.69		127,811.69
12/1/2032	119,520		119,520	8,291.69		127,811.69
3/1/2033	119,520		119,520	8,291.69		127,811.69
6/1/2033	119,520		119,520	8,291.69		127,811.69
9/1/2033	119,520		119,520	8,291.69		127,811.69
12/1/2033	119,520		119,520	8,291.69		127,811.69
3/1/2034	119,520		119,520	8,291.69		127,811.69
6/1/2034	119,520		119,520	8,291.69		127,811.69
9/1/2034	119,520		119,520	8,291.69		127,811.69
12/1/2034	119,520		119,520	8,291.69		127,811.69
3/1/2035	119,520		119,520	8,291.69		127,811.69
6/1/2035	119,520		119,520	8,291.69		127,811.69
9/1/2035	119,520		119,520	8,291.69		127,811.69
12/1/2035	119,520		119,520	8,291.69		127,811.69
3/1/2036	119,520		119,520	8,291.69		127,811.69
6/1/2036	119,520		119,520	8,291.69		127,811.69
9/1/2036	119,520		119,520	8,291.69		127,811.69
12/1/2036	119,520		119,520	8,291.69		127,811.69

NET DEBT SERVICE
City of Charles Town
SRF
\$13,147,192
0% Interest Rate
0.5% Administrative Fee
27.5 Years

Date	Principal	Interest	Total Debt		Reserve Fund	Net Debt Service
			Service	Admin Fee		
3/1/2037	119,520		119,520	8,291.69		127,811.69
6/1/2037	119,520		119,520	8,291.69		127,811.69
9/1/2037	119,520		119,520	8,291.69		127,811.69
12/1/2037	119,520		119,520	8,291.69		127,811.69
3/1/2038	119,520		119,520	8,291.69		127,811.69
6/1/2038	119,520		119,520	8,291.69		127,811.69
9/1/2038	119,520		119,520	8,291.69		127,811.69
12/1/2038	119,520		119,520	8,291.69		127,811.69
3/1/2039	119,520		119,520	8,291.69		127,811.69
6/1/2039	119,519		119,519	8,291.69		127,810.69
9/1/2039	119,519		119,519	8,291.69		127,810.69
12/1/2039	119,519		119,519	8,291.69		127,810.69
3/1/2040	119,519		119,519	8,291.69		127,810.69
6/1/2040	119,519		119,519	8,291.69		127,810.69
9/1/2040	119,519		119,519	8,291.69		127,810.69
12/1/2040	119,519		119,519	8,291.69		127,810.69
3/1/2041	119,519		119,519	8,291.69		127,810.69
6/1/2041	119,520		119,520	8,291.69		127,811.69
	13,147,192		13,147,192	912,085.90	478,080	14,537,357.90

This Bond Cancelled
11/20/2014

NET DEBT SERVICE					
City of Charles Town					
SRF					
\$2,000,000					
0% Interest Rate					
0.5% Administrative Fee					
14 Years					
Date	Principal	Interest	Total Debt Service	Admin Fee	Net Debt Service
3/1/2018	20,000.00		20,000.00	1,460.41	21,460.41
6/1/2018	20,000.00		20,000.00	1,460.41	21,460.41
9/1/2018	20,000.00		20,000.00	1,460.41	21,460.41
12/1/2018	20,000.00		20,000.00	1,460.41	21,460.41
3/1/2019	20,000.00		20,000.00	1,460.41	21,460.41
6/1/2019	20,000.00		20,000.00	1,460.41	21,460.41
9/1/2019	20,000.00		20,000.00	1,460.41	21,460.41
12/1/2019	20,000.00		20,000.00	1,460.41	21,460.41
3/1/2020	20,000.00		20,000.00	1,460.41	21,460.41
6/1/2020	20,000.00		20,000.00	1,460.41	21,460.41
9/1/2020	20,000.00		20,000.00	1,460.41	21,460.41
12/1/2020	20,000.00		20,000.00	1,460.41	21,460.41
3/1/2021	26,650.25		26,650.25	1,460.41	28,110.66
6/1/2021	26,650.25		26,650.25	1,460.41	28,110.66
9/1/2021	26,650.25		26,650.25	1,460.41	28,110.66
12/1/2021	26,650.25		26,650.25	1,460.41	28,110.66
3/1/2022	26,650.25		26,650.25	1,460.41	28,110.66
6/1/2022	26,650.25		26,650.25	1,460.41	28,110.66
9/1/2022	26,650.25		26,650.25	1,460.41	28,110.66
12/1/2022	26,650.25		26,650.25	1,460.41	28,110.66
3/1/2023	40,750.00		40,750.00	1,460.41	42,210.41
6/1/2023	40,750.00		40,750.00	1,460.41	42,210.41
9/1/2023	40,750.00		40,750.00	1,460.41	42,210.41
12/1/2023	40,750.00		40,750.00	1,460.41	42,210.41
3/1/2024	40,750.00		40,750.00	1,460.41	42,210.41
6/1/2024	40,750.00		40,750.00	1,460.41	42,210.41
9/1/2024	40,750.00		40,750.00	1,460.41	42,210.41
12/1/2024	40,750.00		40,750.00	1,460.41	42,210.41
3/1/2025	40,750.00		40,750.00	1,460.41	42,210.41
6/1/2025	40,750.00		40,750.00	1,460.41	42,210.41
9/1/2025	40,750.00		40,750.00	1,460.41	42,210.41
12/1/2025	40,750.00		40,750.00	1,460.41	42,210.41
3/1/2026	40,750.00		40,750.00	1,460.41	42,210.41
6/1/2026	40,750.00		40,750.00	1,460.41	42,210.41
9/1/2026	40,750.00		40,750.00	1,460.41	42,210.41
12/1/2026	40,750.00		40,750.00	1,460.41	42,210.41
3/1/2027	40,750.00		40,750.00	1,460.41	42,210.41
6/1/2027	40,750.00		40,750.00	1,460.41	42,210.41
9/1/2027	40,750.00		40,750.00	1,460.41	42,210.41
12/1/2027	40,750.00		40,750.00	1,460.41	42,210.41
3/1/2028	40,750.00		40,750.00	1,460.41	42,210.41
6/1/2028	40,750.00		40,750.00	1,460.41	42,210.41
9/1/2028	40,750.00		40,750.00	1,460.41	42,210.41
12/1/2028	40,750.00		40,750.00	1,460.41	42,210.41
3/1/2029	50,750.00		50,750.00	1,460.41	52,210.41
6/1/2029	50,750.00		50,750.00	1,460.41	52,210.41

Jun 27, 2011 2:26 pm Prepared by Raymond James & Associates, Inc.

(WDA:LOANS-CHART211) 2

NET DEBT SERVICE
City of Charles Town
SRF
\$2,000,000
0% Interest Rate
0.5% Administrative Fee
14 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Net Debt Service
9/1/2029	50,750.00		50,750.00	1,460.41	52,210.41
12/1/2029	50,750.00		50,750.00	1,460.41	52,210.41
3/1/2030	50,750.00		50,750.00	1,460.41	52,210.41
6/1/2030	50,750.00		50,750.00	1,460.41	52,210.41
9/1/2030	50,750.00		50,750.00	1,460.41	52,210.41
12/1/2030	50,750.00		50,750.00	1,460.41	52,210.41
3/1/2031	40,699.50		40,699.50	1,460.41	42,159.91
6/1/2031	40,699.50		40,699.50	1,460.41	42,159.91
9/1/2031	40,699.50		40,699.50	1,460.41	42,159.91
12/1/2031	40,699.50		40,699.50	1,460.41	42,159.91
	2,000,000.00		2,000,000.00	81,782.96	2,081,782.96

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Issued: June 18, 2010

FINAL

7/8/2010

CASE NO. 09-1562-S-MA

CITY OF CHARLES TOWN

a municipal utility, Jefferson County.

Investigation and suspension of increase
in sewer rates and charges as a result
of a petition filed in accordance with
West Virginia Code §24-2-4b.

Case No. 09-1980-S-CN

CITY OF CHARLES TOWN

Application for a certificate of convenience and necessity to
construct improvements to its existing waste water treatment
plant serving the Tuscowilla and Locust Hill communities

Case No. 10-0070-S-MA

CITY OF CHARLES TOWN

Municipal Appeal

RECOMMENDED DECISION

Case No. 09-1562-S-MA

On August 17, 2009, the City of Charles Town ("City" or "Charles Town") adopted an ordinance that increased its Capacity Improvement Fee ("CIF") from \$1,127 to \$5,500 for each residential connection, or each equivalent dwelling unit ("EDU"), to become effective on October 1, 2009. No change was made to the provision that connections for non-residential use would be paid according to a table of residential usage equivalent ("RUE") and the RUEs also were unchanged. Accordingly, each whole RUE would rise to \$5,500, and partial RUEs would rise proportionately. On August 24, 2009, the City filed with the Public Service Commission ("Commission") a copy of the ordinance.

On September 15, 2009, the Jefferson County Public Service District ("District"), by counsel James V. Kelsh, filed a petition in opposition to the ordinance, stating that it is a resale customer of the City; that the District "will be affected by the change in rates contained in the ordinance... The Ordinance is discriminatory as to the District"; that [t]he rates contained in the Ordinance were prepared without benefit of a class cost of service study"; and that the RUE table is "outdated and does not generally comport with actual experience." The petition requested suspension of the increase in the CIF and that the Commission review the ordinance pursuant to W.Va. Code §24-2-4b.¹

By Commission Order entered September 18, 2009, the Commission invoked its jurisdiction in this matter under Code §24-2-4b, made the City respondent to these proceedings and, pending investigation, hearing and decision thereon, suspended and deferred the use of the increased charges until 12:01 a.m., January 29, 2010, unless otherwise ordered by the Commission. The order also referred this matter to the Division of Administrative Law Judges ("ALJ Division") for further proceedings with a decision due date of December 30, 2009. Commission Staff was required to file its report in this matter on or before November 16, 2009. The Commission required that the order be published by the Executive Secretary of the Commission and that any motions to intervene be filed with the Commission within ten days of the date of publication.

Also on September 18, 2009, the City of Ranson ("Ranson"), by counsel Andrew P. Blake, filed a petition in opposition to the ordinance, stating that, under an agreement between the City, the District, and Ranson, the RUE was set at \$1,127 and the RUE was approved in Case No. 04-0095-S-CN and further explained in Case No. 04-1819-S-MA. Ranson argued that the City was justifying the increase by the need to make upgrades to bring its sewage system compliant with standards for Chesapeake Bay, in particular upgrading the Tuscowilla plant; that the increase probably should not apply to Ranson because none of Ranson's sewage flows to that plant; and that Ranson could not determine its position until it received information promised to it by the City, which was unavailable until October.

On September 29, 2009, Staff Attorney Ronald E. Robertson, Jr., filed an Initial Joint Staff Memorandum, with an attached memorandum from Jonathan Fowler, of the Engineering Division.

On October 13, 2009, an affidavit of publication of the Commission's Order on September 24, 2009, in the Spirit of Jefferson Advocate, was filed.

¹Code §24-2-4b(c) provides in pertinent part:

The commission shall review and approve or modify such rates upon the filing of a petition within thirty days of the adoption of the ordinance or resolution changing said rates or charges by:...

(2) Any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is affected by the change in the rates or charges and who presents to the commission a petition alleging discrimination between customers within and without the municipal boundaries. The petition shall be accompanied by evidence of discrimination[.]

On November 10, 2009, the City, by counsel, filed a motion to toll the statutory deadline, which was granted by Commission Order on November 16, 2009. The Commission suspended the charges until 12:01 a.m. on April 29, 2010, and extended the deadline for the Staff report until February 16, 2010, and the decision due date until March 30, 2010.

On December 17, 2009, Chief ALJ Melissa M. Marland issued a Procedural Order assigning this matter to the undersigned, and the undersigned issued a Procedural Order, which scheduled this matter for hearing at 9:00 a.m. on February 23, 2010, in the Jefferson County Courthouse, County Commission Meeting Room, 100 E. Washington Street, Charles Town, West Virginia; required the City to publish an attached Notice of Hearing; ordered an expedited transcript of the hearing to be prepared and filed with the Commission no later than 10:00 a.m. on February 26, 2010; and ordered that initial briefs be filed no later than March 5, 2010, and any reply briefs be filed no later than March 10, 2010.

On February 16, 2010, Mr. Robertson filed a Final Joint Staff Memorandum and an attached memorandum from Mr. Fowler, recommending that the proposed increase to \$5,500 in the City's CIF be approved. Mr. Fowler's memorandum included the following: The City provides sewage treatment for the District and Ranson, which forward to the City \$1,127 per residential connection or EDU from the CIFs they collect under their own tariffs.² As of June 30, 2009, the City had collected approximately \$1,634,083 in CIFs. The District's contribution thereto was approximately \$764,670, based on a total of 686.5 EDUs, and Ranson's contribution thereto was approximately \$540,780, based on a total of 479.84 EDUs. The City had collected the remaining \$328,633, based on a total of 292.6 EDUs. In City of Charles Town and City of Ranson, Case No. 06-1187-S-PC (2007), the Commission approved an agreement between the City and Ranson that set out a methodology for determining CIFs by allocating the costs of expanding the City's treatment plant between developers and rate payers. Under that methodology, developers would pay for 50% of the costs of nutrient removal required under the Chesapeake Bay Initiative and 100% of the costs of expansion. Recognizing that the methodology represented a major shift away from consideration of growth only (whether the growth rate averaged 2% per year or 20% over ten years), Staff followed the methodology of Case No. 06-1187-S-PC in determining what would be an appropriate CIF for the City. Staff listed four major wastewater system improvements as components in calculating the CIF: (1) an immediate upgrade to the Tuscawilla treatment plant, called Phase I, which will enable the plant to comply with nutrient removal mandates and will add approximately 320,000 gallons per day ("gpd"), about 1,778 EDU, and a wetlands project at the plant; (2) a later, Phase II, increase in the capacity of the Tuscawilla treatment plant by an additional 500,000 gpd (to 1,000,000 gpd), which will enable flows to be rerouted from the Charles Town plant; (3) construction of a new transfer pump station and modifications to the existing Huntfield pump station, which will enable flows to be diverted from the Charles Town plant to the upgraded Tuscawilla plant; and (4) addition of a metal-salts feed system and installation of tertiary filters at the Charles Town plant, needed to insure the plant's compliance with nutrient removal requirements. The estimated construction costs are

²The District charges a CIF of \$7,500 per residential unit or EDU and Ranson charges a CIF of \$1,127 per residential unit or EDU.

\$10,517,000 (\$10,267,000 for the plant upgrades and \$250,000 for the wetlands project) for the first project, \$7,019,000 for the second, \$1,808,000 for the third, and \$2,175,000 for the fourth. Staff split the costs in proportion to the flow capacity and allocated 36% of the cost of the first project to nutrient removal and 64% to expansion;³ 100% of the cost of the second project to expansion; 50% of the cost of the third project to nutrient removal and 50% to expansion; and 100% of the fourth project to nutrient removal. Staff added 18% of the estimated construction costs to the total construction costs and an additional 20% for contingencies, and calculated the total nutrient removal costs at \$9,721,000 and the total expansion costs at \$20,750,000. Mr. Fowler concluded,

Allocating these costs on the 50% nutrient and 100% growth basis yields a "pool" of costs totaling \$25,610,500, which is then divided by the number of new EDUs (4,556) to provide a cost per EDU of \$5,620 (rounded). Comparing this with the CIF proposed by the City (\$5,500), we note good agreement and, owing to the inherent uncertainty in estimating construction and project costs at this early stage, will recommend that the City's proposed \$5,500 be adopted as Staff's recommendation.

Mr. Fowler recommended that the RUE table not be revised, explaining its broad and long usage, and stated that it would be inappropriate and impossible to determine an appropriate CIF from a class cost of service study; a class cost of service study is designed to allocate operating costs equitably among existing customer classes, while a CIF "is designed to allocate costs between existing and future utility customers by recovering future costs which will be incurred as a result of system growth."

Hearing was held as scheduled. Hoy G. Shingleton, Jr., appeared as counsel for the City. Also appearing were Messrs. Kelsh, Blake, and Robertson. The parties made opening statements. Included in Mr. Shingleton's was the explanation that this case is one of three sewer cases the City has pending before the Commission, and is being driven by Case No. 09-1980-S-CN, the Phase I certificate case; that project is estimated to cost about \$17,500,000, of which \$2,000,000 would be funded by the City's CIF. In the other case, Case No. 10-0070-S-MA, the City is requesting an increase in its volumetric rates. The City's present CIF was designed to finance approximately \$2.7 million in 2004 upgrades to the Charles Town plant, and less than \$500,000 is still owing on that bond. The City wants to build up the segregated CIF account, so that it will not have to borrow much money for the projects after the Phase I project. In 2009, the City and the District formulated a long-term strategic plan, which supports the proposed CIF increase. Mr. Kelsh argued that environmental compliance should not be considered in calculating a CIF; only growth should be considered. Recognizing that the RUE table for the tariffs of all three parties is the same, including a provision that, when a unit does not appear on the schedule, "the sewer department shall determine its Residential Usage Equivalent in consultation with its consulting engineer," Mr. Kelsh argued that the provision is too inflexible. The undersigned advised Mr. Kelsh that, since the chart has been long-

³Staff explained, "The new (Phase I) plant capacity will be 500,000 gpd, which is an increase of 320,000 gpd beyond the present capacity of 180,000 gpd. Thus, an additional 320,000 gpd of capacity will have been added or, $320/500 = 64\%$ expansion. Accordingly, 64% of the costs were assigned to expansion and the remaining 36% were assigned to nutrient removal."

accepted, he would have the burden of showing that a modification was needed. Mr. Blake argued that accepting the methods used to raise the CIF and the proposed CIF itself would violate several agreements between the parties.

The evidence presented at the hearing was as follows:

Jane Arnett, presently the utility manager for the City and previously its city manager, testified that the City operates two plants, the Charles Town plant, built in the 1960s, and the newer Tuscowilla plant. (Tr. 22). The City treats all of the sewage generated by Ranson and the District. (Tr. 22). She explained that formulating the strategic plan grew out of the expansion of the Charles Town plant in 2004. (Tr. 21). The plan, titled "City of Charles Town Utility Board 2009 Wastewater Strategic Plan, April 2009," was entered into evidence as City Ex. 1. On cross-examination, Ms. Arnett was asked about a Sewer Service Agreement entered into by the parties in 1988, which was put into evidence as Dis. Ex. 1, and agreed that the purpose of the agreement was to expand the Charles Town plant's capacity; 2005 amendments to it were put into evidence as Dis. Ex. 2 and a 2004 memorandum of understanding was put into evidence as Dis. Ex. 3. (Tr. 26). She also agreed that pages 23 and 24 of the strategic plan show how the City calculated the \$5,577 CIF, and that Table 13, on page 24, lists the costs on which the CIF is based, which do not include any costs related to the 2004 upgrades to the Charles Town plant. (Tr. 28-29). She agreed that those upgrades had been intended to allow the plant to discharge up to 1.75 million gpd and that the strategic plan states that the plant cannot handle more than 1.02 million gpd and meet its discharge requirements. (Tr. 31). Ms. Arnett did not disagree with statements by Mr. Blake that Dis. Exs. 1 and 2 entitled Ranson to 2,853 EDUs out of the 1.75 million gpd expected capacity, that the strategic plan states that Ranson had 652 EDUs remaining at the end of 2008, and that Ranson's allocation will run out in 2016, but she testified that the City has not denied service to anyone in the Ranson or the District's service areas. (Tr. 33-36).

John C. Kunkle, a C.P.A. who had prepared the City's Rule 42 exhibit, which was placed into evidence as City Ex. 2, testified that, until the 2004 bond is paid off, \$1,127 of each \$5,500 CIF would have to be used to pay off that bond. (Tr. 41).

Peter Thomson, a professional engineer, testified that he and his staff had prepared the strategic plan. (Tr. 46-47). He explained the methodology that the City had used in developing the CIF, including that the City collected information from developers and other areas and that, under the plan, the projects that had been listed in Staff's final memorandum, entered into evidence as Staff Ex. 1, had been considered in calculating the CIF. (Tr. 47-48; 52-58). Those projects are listed at Table 13 of the plan, along with the construction costs that Mr. Fowler had cited. Under the permits for the treatment plants, as of June 30, 2011, the plants will have to be in compliance with nutrient removal requirements; each facility will be allowed a certain poundage of nitrogen and phosphorus, which are provided at page 17 of the strategic plan. (Tr. 49). The present discharge of nitrogen from the Charles Town plant would meet those requirements, but its phosphorus discharge level would be slightly too high, and, if it operated at 1.75 million gpd, it would not be able to meet either requirement. (Tr. 50; 63). The Tuscowilla plant's present outflow could not meet the requirements for either nutrient. (Tr. 51). The wetlands project is an environmental project required by an order of the West Virginia

Department of Environmental Protection ("DEP") to be completed after Phase I is completed. (Tr. 55). Mr. Thomson testified that, because growth factors change, the City has resolved to update the plan annually. (Tr. 53).

On cross-examination by Mr. Kelsh, Mr. Kunkle agreed with a statement in the plan that the Charles Town plant cannot operate beyond 1.02 million gpd without violating its ammonia limitations; that is, the present bottleneck to greater capacity is ammonia. (Tr. 60-62, 69-70). He clarified that the metal-salts upgrade to the Charles Town plant will dissolve phosphorous, and, therefore, lower the nutrient level of the flow, and that the Huntfield pump station upgrade is included in the Phase I certificate case. (Tr. 70-72). Mr. Thomson explained that the construction of the new transfer pump station will not be until after 2015, and that the station would draw flow from the Charles Town plant to the Huntfield pump station, then to the Tuscowilla plant, and it would accommodate the growth from 2015 until the one million gpd capacity at that plant is reached. (Tr. 70-73). Mr. Thomson further explained the methodology the City had used, including that the total to be funded, as shown on Table 13, \$25,337,727, was divided by the number of new EDUs that the projects are expected to add, 4,543, to provide the CIF of \$5,577. He testified that the 2004 upgrades were not considered, and responded, "That's an interesting question," when asked if the \$5,577 would be charged in addition to the \$1,127. (Tr. 77).

On cross-examination by Mr. Blake, Mr. Thomson agreed that the plan states that Ranson will run out of its allocations in 2016, but countered by stating that the plan includes projections and planning for all of Ranson's dwelling units, and its future growth. (Tr. 80, 89-90). He further testified that, unlike the 2004 pact, where each party provided funding in certain amounts and allocations were based thereon, now the intent is not to have any set-asides, and, consistent with the projected growth, future service will be provided on a first-come, first-serve basis. (Tr. 90).

Joe Hankins, the chairman of the District's board, testified that he has been involved in the Chesapeake Bay issues for more than a decade. (Tr. 95). He testified that, at the time of the 2004 upgrades, the purpose of the parties' agreement on allocations of EDUs was to help with planning. (Tr. 96). He doubted that the number of EDUs assigned to the District were still usable, and opined that the bottleneck to their usage was the ammonia limitation. (Tr. 97). He deplored the uncertainty. (Tr. 98).

Mr. Fowler, a professional engineer, testified that he had prepared part of Staff Ex. 1; how he had formulated the CIF was detailed in the exhibit. (Tr. 103-104). He further stated that, in preparing the exhibit, he had reviewed all received data, in particular the strategic plan, City Ex. 1. (Tr. 104). "We had discussions with various parties including the City and the City's engineer. We reviewed the cost estimates and the scope of the projects. We also looked at infrastructure applications either approved or pending to try to develop a pool of costs that would be allocated into the capital improvement fee." (Tr. 104). Mr. Fowler stated that Staff's methodology was completely different from a class cost of service study, and explained why, consistently with Staff Ex. 1. (Tr. 104). He listed the percentages allocated to nutrient removal and to growth, as provided in Staff Ex. 1. (Tr. 108). He agreed that the driving factor for the strategic plan is nutrient removal and permitting

requirements, and also that, in this case, Staff is recommending the use of CIFs to meet utility needs not tied to growth. (Tr. 109-110). He stated that Staff had relied on the 06-1187-S-PC case for guidance on how to assign the costs, and explained that, with a utility facing approximately \$230 million in capital investment over the next few years and a declining growth rate, Staff found it appropriate for the City to use CIFs to help pay for those upgrades. (Tr. 110) Mr. Fowler testified that there is little capacity today at the Charles Town plant, perhaps 100,000 to 250,000 gpd. (Tr. 111).

On cross-examination by Mr. Kelsh, Mr. Fowler was shown a copy of the Commission's order in Case No. 06-1187-S-PC and agreed that the two parties in that matter were the City and Ranson. He testified that, in that case, the parties had been seeking approval of an agreement to fund project costs for jointly-used facilities. (Tr. 112). He believed the projects involved were upgrades for the Charles Town treatment plant, and agreed that this matter primarily involves upgrades at the Tuscowilla plant. (Tr. 113). Mr. Fowler further testified that, while he used as a starting point the formulation provided in the Commission Order in Case No. 06-1187-S-PC that developers would be responsible for 100% of the costs for expansion and for 50% of the costs to achieve compliance with the Chesapeake Bay Initiative, he also used his judgment, as in assigning percentages for the wetlands project. (Tr. 114). Upon Mr. Kelsh's stating that the \$1,127 CIF had been based on a capacity expansion of the Charles Town treatment plant and, when asked if any capacity expansion of the plant had been realized, Mr. Fowler stated that there had been very little actual expansion of capacity of the plant. (Tr. 114). He clarified that, with implementation of the recommended \$5,500 CIF, it would replace the \$1,127 CIF on the tariff, and, when the debt associated with the 2004 project is paid in full, the \$5,500 CIF would not be reduced by \$1,127. (Tr. 115, 120).

The transcript was filed on February 26, 2010.

Initial briefs were filed on behalf of the City, the District and Ranson, by counsel, on March 5, 2010, and, on March 11, 2010, a reply brief was filed on behalf of the City, by counsel. Counsel for the District and Ranson filed letters stating that they would not be filing reply briefs. No brief was filed on behalf of Staff.

On March 15, 2010, the City, by counsel, filed an affidavit of publication of the Notice of Hearing on February 11, 2010, in the Spirit of Jefferson Advocate.

On March 18, 2010, the undersigned issued a Recommended Decision, which included the following discussion:

Ranson recognizes in its brief that part of the 1988 agreement was abrogated by the Commission in City of Charles Town, Case No. 04-1819-S-MA (2005), and that the parties did not submit a revised agreement, as ordered in that case. It argues, however, that Charles Town should not be allowed to breach a requirement of the 2005 amendment to the 1988 agreement that, if a further agreement is needed, the parties will negotiate one. Ranson also points out that the 2004 memorandum of understanding that

established the \$1,127 capacity improvement fee would be violated by allowing the increase in CIF. Ranson's brief argues,

It is Ranson's primary position that the current agreements be enforced and the CIF not increase above the current \$1,127, until Ranson exhausts its 2,852 EDUs. In the alternative, it is not Ranson's burden to prove that Charles Town's CIF increase is fair and just. It is Charles Town's burden and Ranson submits that Charles Town has not met its burden. Charles Town's proposal includes items that are not expansion related; have not been authorized to proceed to design; and are not included within its certificate project. Moreover, Charles Town has failed to recognize the current \$1,127 CIF in its ordinance or Strategic Plan, which is problematic, because it is used to pay existing debt. These factors alone show that the \$5,500 is not a just and reasonable rate. At most, and ignoring the agreements, Charles Town's CIF should only include the current \$1,127 CIF and costs associated with growth.

The District characterizes the City's three principal challenges as follows: (1) complying with the ammonia limit in its NPDES permit for the Charles Town plant; (2) meeting nutrient levels at both treatment plants; and (3) expanding to meet expected increased demand for treatment from new customers. It recognizes that it is appropriate to allocate a portion of the costs of the first two to future customers in a CIF "to the extent these compliance costs are incurred so that capacity to serve future customers is fully compliant," but contends that neither Staff nor the City have made appropriate allocations. The District also complains of breaching agreements among the parties, in particular the memorandum of understanding approved by the Commission in Case No. 03-1490-PSD-T-PC, as slightly modified by the Commission's Order (2005). "The MOU required each party to collect a CIF of \$1,127 per EDU. The MOU has not been amended by the parties to increase the CIF amount; Charles Town has not asked the other parties to the MOU to amend it; nor has Charles Town petitioned the Commission to approve an amendment to the MOU." The District also makes the argument made at the hearing that the RUE table was too inflexible.

Ranson's argument is mystifying because it, along with Charles Town, was a petitioner in Case No. 06-1187-S-PC; the agreement there approved, on which Mr. Fowler patterned his methodology, was between it and Charles Town. In any case, it is clear from the Commission Order in that matter that the Commission was approving holding developers responsible for 50% of the costs resulting from the Chesapeake Bay Initiative, which, as Mr. Fowler recognized, was a departure from the earlier cases requiring that only growth be considered in calculating a CIF. The Commission Order is precedent and Staff's methodology is consistent with that precedent; it will be accepted and the \$5,500 CIF approved. Perhaps it should be emphasized that, because the Commission accepted the methodology used in this matter, it is immaterial that the District was not a party to the agreement approved in Case No. 06-1187-S-PC.

It may be noted, in any case, that the parties' actions have not been fully consistent with their agreements. See City of Charles Town Sewer Dept., Case No. 04-0095-S-CN (2004); City of Charles Town, Case No. 04-1819-S-MA (2005). Most striking is that, while the District complains of Charles Town's raising its CIF in violation of the memorandum of understanding, it does not mention that it has already raised its CIF to \$7,500. See Jefferson Co. Pub. Serv. Dis., Case No. 06-0413-PSD-T-PC (2009). Almost as startling is the District's final argument, regarding the provision in the RUE table that is included not only in the City's and Ranson's tariff, but the District's, which would require breaching the memorandum of understanding, because the language to which the District objects is provided in the memorandum of understanding. That final argument is readily rejected.

Finally, that Staff's methodology did not take into account the \$1,127 CIF and the basis for it, repaying the debt from the 2004 improvements, does not warrant approving a lower CIF than the recommended \$5,500 CIF. Clearly, correcting any error by Staff in that regard would result in a higher CIF, not a lower one.

Included in the Conclusions of Law was the following: "It is appropriate to approve increasing the City's capital capacity improvement fee to \$5,500 for each residential connection, because calculation thereof was consistent with Commission precedent provided in City of Charles Town and City of Ranson, Case No. 06-1187-S-PC (2007)."

On April 2 and 7, 2010, the District and Ranson, by counsel, filed exceptions, and the parties filed briefs thereafter.

On April 16, 2010, the City, by counsel, filed a Motion to Toll the statutory suspension date, which was granted by the Commission by Order issued April 23, 2010. The statutory deadline was extended to July 30, 2010.

Case No. 09-1980-S-CN

On November 24, 2009, the City, by counsel, filed with the Commission an application for a certificate of convenience and necessity to renovate and expand its Tuscawilla treatment plant, which serves the Tuscawilla and Locust Hill communities, and to construct additional sewer mains and sewer force mains to direct flow to the renovated Tuscawilla plant rather than to its other plant, the Charles Town plant. The City explained that both plants are operating near capacity, and improvements will be necessary for the City to meet the requirements of the Chesapeake Bay Initiative. Supporting documentation was filed. Documents filed with the application supported that the City intended to fund the project with a Clean Water State Revolving Fund ("CWSRF") loan and \$2,000,000 from capacity fees.

Also on November 24, 2009, the Commission directed the City to publish a Notice of Filing.

On December 9, 2009, the Commission, by Order, referred this matter to the ALJ Division for decision to be issued no later than May 10, 2010, if substantial protest was filed, or April 8, 2010, if such protest was not filed.

On December 23, 2009, the District, by counsel, filed a petition to intervene, stating that it is a bulk customer of the City, and that its "interest in this proceeding is to promote the cost effective implementation of improved wastewater treatment to reduce nutrient discharges from Jefferson County wastewater treatment plants."

On December 29, 2009, Mr. Robertson filed an Initial Joint Staff Memorandum, with an attached memorandum from William A. Nelson, of the Utilities Division, and Mr. Fowler, stating that the project is estimated to cost \$18,000,000, and that the funding for the project has not been perfected.

On February 19, 2010, the City, by counsel, filed a motion for consolidation of this case with Case No. 10-0070-S-MA, and for tolling the statutory deadlines in both cases.

On February 26, 2010, the City, by counsel, filed an affidavit of publication of the Notice of Filing on January 7, 2010, in the Spirit of Jefferson Advocate.

On March 8, 2010, the City of Ranson, by counsel, filed a motion to intervene, stating that it is a bulk customer. The basis for the intervention matched that of the District.

Case No. 10-0070-S-MA

On December 7, 2009, the City adopted an ordinance increasing its sewage rates and charges across the board by 57.4%, to become effective upon completion of the project at issue in Case No. 09-1980-S-CN. The ordinance was filed on January 29, 2010.

On January 6, 2010, the District, by counsel, filed a petition in opposition to the ordinance rates, stating that the ordinance discriminated against it, and that the ordinance rates were prepared without benefit of a class cost of service study. The District requested that the rates be suspended pursuant to W.Va. Code §24-2-4b(d)(2).⁴

By Commission Order entered January 29, 2010, the Commission invoked its jurisdiction in this matter under Code §24-2-4b, made the City respondent to these proceedings and, pending investigation, hearing and decision thereon, suspended and deferred the use of the increased charges until 12:01 a.m., May 21, 2010, unless otherwise ordered by the Commission. The order also referred

⁴"Upon sufficient showing of discrimination by customers outside the municipal boundaries..., the commission shall suspend the adoption of the rate change contained in the ordinance for a period of one hundred twenty days from the date the rates or charges would otherwise go into effect or until an order is issued as provided herein."

this matter to the ALJ Division for further proceedings with a decision due date of April 8, 2010. The Commission required that the order be published by the Executive Secretary of the Commission and that any motions to intervene be filed with the Commission within ten days of the date of publication.

On February 18, 2010, an affidavit of publication of the Commission Order on February 4, 2010, in the Spirit of Jefferson Advocate, was filed.

On February 19, 2010, the City, by counsel, filed the motion to consolidate this case with Case No. 09-1980-S-CN and for tolling the statutory deadlines in both cases.

On March 10, 2010, Ranson, by counsel, filed a motion to intervene, stating that, in that the District had already requested intervention, the City would not be prejudiced by Ranson's intervention.

Case Nos. 09-1980-S-CN and 10-0070-S-MA

On March 16, 2010, the Commission, by Order, consolidated the two cases; tolled their statutory deadlines to July 30, 2010; required that Staff file its reports in both cases no later than April 30, 2010; and extended the ALJ decision due date in the consolidated cases to June 15, 2010.

On March 25, 2010, the undersigned issued a Procedural Order granting the motions for intervention, and scheduling a hearing for 9:30 a.m. on May 18, 2010, in Council Chambers, 101 E. Washington Street, Charles Town, West Virginia. The parties were required to file, no later than May 10, 2010, statements of whether they agreed with Staff's recommendations, and were advised that, if the statements established that no hearing was necessary, the hearing would be canceled.

On April 29, 2010, a commitment letter from DEP for loans to finance the project were filed.

On April 30, 2010, Mr. Robertson filed the Final Joint Staff Memorandum and Staff Reports from Mr. Nelson, Mr. Fowler, and Pamela D. Latocha, of the Utilities Division, which included the following:

Case No. 09-1980-S-CN – Engineering Review: The proposed Phase I project will provide the Tuscowilla plant the capacity immediately upon completion to treat 500,000 gallons per day, and the new design will allow for easy expansion to a capacity of one million gallons per day in the future. The project includes installation of new technology that will provide an advanced level of treatment, including removal from the wastewater of nitrogen and phosphorus, which are nutrients harmful to the Chesapeake Bay. The estimated project cost is \$18,050,750, including an estimated construction cost of \$14,329,000. While the estimated engineering costs are somewhat above average, the cost per customer is reasonable. Most of the major permits and necessary approvals have been received and filed, but some are outstanding, including the NPDES permits. Engineering Staff recommended approval of the project, contingent upon receipt of all outstanding permits and approvals. Financial Review: The proposed funding had been modified since the application was filed; no longer was CIF

revenue relied upon. Rather, the project will be financed by a DEP CWSRF loan in the amount of \$16,050,750, payable over 30 years with a 0% interest rate and a .5% annual administrative fee rate, and a CWSRF \$2,000,000 deferred or wrap loan, payable over 25 years (beginning in 2017) with a 0% interest rate and a .5% annual administrative fee rate.

Case No. 10-0070-S-MA – Engineering Staff calculated the allocation factors. Staff examined the City's books and records for the fiscal year ending June 30, 2009, and determined that, at going level, the City was operating at a deficit of \$49,036 and debt service coverage of 2.38%. Staff calculated the City's five-year average capital additions at \$18,770, and recommended a revenue increase of 53.3%, which would provide \$3,182,902 in total revenue, \$93,678 for capital additions, and debt service coverage of 116.21%. The City has two tariff schedules. For comparison, the minimum rate for domestic, commercial and industrial customers under Schedule 1 is presently \$15.92; the ordinance rate was \$25.05, and the Staff-recommended minimum rate was \$22.72. Schedule 2's minimum bill for the same classes of customers is presently \$26.98, and the ordinance and the Staff-recommended rates would not raise it because, unchanged, it is still higher than the Schedule 1 rates. The bulk rate is presently \$3.72 per thousand gallons; the ordinance rate was \$5.84 per thousand gallons; and Staff recommended a rate of \$6.37 per thousand gallons. Staff finally recommended modifying the City's leak adjustment rate from \$0.81 to \$0.95 per thousand gallons.

Also on April 30, 2010, Ranson, by counsel, filed a motion for continuance of the hearing, needed because of a scheduling conflict.

On May 10, 2010, objections to Staff's recommendations were filed by all parties.

On May 13, 2010, Ranson, by counsel, filed a letter, stating that, after the motion for continuance was filed, the parties entered into productive negotiations and were very close to entering into a joint stipulation resolving these matters, and the joint stipulation would be filed in a few days. It was, therefore, requested that the hearing scheduled for May 18th be canceled.

On May 14, 2010, the undersigned issued a Procedural Order canceling the hearing.

Case Nos. 09-1562-S-MA, 09-1980-S-CN, and 10-0070-S-MA

On May 24, 2010, the City, by counsel, filed a motion to consolidate Case No. 09-1562-S-MA with Case Nos. 09-1980-S-CN and 10-0070-S-MA, and to return Case No. 09-1562-S-MA to the ALJ Division. The City stated that the parties had entered into an agreed settlement, which, if approved, would resolve all three cases. The Agreed Stipulation, which was not fully executed, was also filed. It included agreement to the \$5,500 CIF, to become effective on "the date of substantial completion of construction of Phase I of the Tuscowilla Plant expansion." The stipulated tariff slightly raised the rates from those Staff had recommended for Schedule 1, including a minimum charge of \$23.66, and left the Schedule 1 rates at those presently charged. The stipulated tariff set the bulk rate at \$6.13.

On June 3, 2010, the Commission issued an Order, which granted the motion, and set the ALJ decision due date for the consolidated cases at June 22, 2010. It was ordered that, on remand, the ALJ Division “hear evidence in support of and to rule on the Agreed Stipulation.” The Commission Order emphasized that the estimated construction completion date for the Phase I project is the latter part of 2011 or the early part of 2012, and included the following discussion:

First, the parties and the ALJ should address whether the Agreed Stipulation is logical and consistent with Commission policies regarding CIFs and the criteria for approval of CIFs as set forth in a number of Commission orders and as summarized in the Commission final order in Willow Spring Public Service Corp., Case No. 06-1180-S-CN-PW-PC, Commission Order May 15, 2007 at pp. 18-19. That Commission Order stated that a CIF should be used for the purpose of addressing *future* growth and to provide funds for *future* construction of utility facilities. Willow Spring at p. 18-19 (criteria e. and i.). The record in Case No. 09-1562-S-MA indicates that the purpose of the increased CIF is largely to pay for the Phase I expansion of the Tuscawilla sewage treatment plant, yet the Agreed Stipulation states that the CIF will not be in effect until the plant is already built. See Agreed Stipulation p. 3 item 3. The Agreed Stipulation to defer the effective date of the increased CIF until after the Phase I Tuscawilla project is completed seems to be inconsistent with the primary purpose served by CIFs. The parties should explain how deferring implementation of the CIF is logical and reasonable given the capacity expansion needs of Charles Town and the future capital requirements that could be offset by an accumulation of CIF fund beginning sooner rather than later.

Second, because the Agreed Stipulation is silent as to how the parties came to agree to the amount of the CIF, the intervenors Jefferson PSD and Ranson should explain on the record, the changed circumstances or conditions that resulted in their agreement that a CIF in the amount of \$5,500 per EDU is now reasonable.

The Conclusions of Law relating to that discussion were as follows:

3. On remand, the parties and the ALJ should address whether the Agreed Stipulation is logical and consistent with Commission policies regarding CIFs and the criteria for approval of CIFs as set forth in the Commission final order in Willow Spring Public Service Corp., Case No. 06-1180-S-CN-PW-PC, Commission Order May 15, 2007.

4. A CIF should be for the purpose of addressing *future* growth and to provide funds for *future* construction of utility facilities. Willow Spring at p. 18-19 (criteria e. and i.).

5. To support the proposed stipulation, the parties should explain how deferring the implementation of the CIF is logical and reasonable given the capacity

expansion needs of Charles Town which could be partially funded by accumulated CIFs.

6. The intervenors Jefferson PSD and Ranson should explain on the record, the circumstances or conditions that have changed to result in the agreement that a CIF in the amount of \$5,500 per EDU is now reasonable.

On June 7, 2010, the undersigned issued a Procedural Order scheduling these matters for hearing on June 10, 2010, in the Commission Building in Charleston. An expedited transcript was ordered, to be filed no later than June 14, 2010.

The hearing convened as scheduled. Messrs. Blake and Robertson made their appearances, and Robert R. Rodecker appeared in Mr. Kelsh's stead as counsel for the District. Mr. Robertson clarified that the stipulated rates produce about the same amount of revenue as the Staff-recommended rates would. He stated that the Schedule 1 general domestic, commercial and industrial rates of the Stipulated Agreement are slightly higher than those Staff had recommended because, in order for the City to qualify for the zero percent interest rate on the CWSRS loans, the rates needed to be higher than the Staff-recommended rates. (2 Tr. 9-10). Mr. Shingleton emphasized that those Schedule 1 stipulated rates are lower than the ordinance rates, and that no general domestic, commercial or industrial customer had objected to the ordinance rates. (2 Tr. 11). The undersigned noted that she was perplexed by the Commission's third conclusion of law, because it did not mention the Commission decision in Case No. 06-1187-S-PC, although her recommended decision in Case No. 09-1562-S-MA had accepted that the Commission decision had created an exception, that the costs of the Chesapeake Bay Initiative could be considered in setting a CIF amount, to the Willow Spring's requirement that the amount of a CIF must be based on growth alone. (2 Tr. 12). In response, a pre-hearing statement that had been prepared by Mr. Kelsh was entered into evidence as Dis. Ex. A. In Dis. Ex. A the District stated that it strongly supported the Agreed Stipulation, and continued,

4. The District is cautious in responding to the Commission's request for an explanation as to the "changed circumstances or conditions that resulted in their agreement that a CIF in the amount of \$5,500 per EDU is now reasonable" so as to preserve the confidentiality of settlement negotiations, privileged attorney-client discussions, and deliberations taken in executive session. The District, in general, and as the Commission encourages, prefers to settle cases so as to increase the District's control and influence over factors which affect its operations. As with nearly all settlement agreements the Agreed Stipulation constitutes a package deal of trade-offs among the parties, tailored in a manner to accommodate and meet the interests of the parties. The parties to the Agreed Stipulation entered into it informed by the record of those proceedings and applicable law.

5. One of the chief benefits to the District of the Agreed Stipulation is the delay to the date of imposition of Charles Town's increased CIF. The District wishes to repay debt to be incurred for its Flowing Springs sewer plant project with CIF

proceeds to the greatest extent possible. See Case No. 09-0347-PSD-CN. The District presently charges a CIF of \$7,500 per EDU. Because nearly all of the District's customers have their wastewater treated at the Charles Town wastewater treatment plant, the District pays Charles Town's CIF, presently \$1,127 per EDU, out of the District's CIF. An increase to Charles Town's CIF has the effect of decreasing the District's yield from its CIF. Delaying the increase to Charles Town's CIF will enable the District to pay more of its debt with CIF proceeds. This benefit of the Agreed Stipulation, along with other benefits of the Agreed Stipulation and the District's view of the record in these proceedings, and applicable law lead the District to support the Agreed Stipulation, including the \$5,500 CIF amount.

Dis. Ex. A concluded by stating that, if the Commission rejected the Agreed Stipulation, the District would rely on its arguments made in its exceptions in Case No. 09-1562-S-MA. Mr. Rodecker stressed that the District accepted the \$5,500 CIF, as part of the negotiated settlement, as long as it would not go into effect immediately. (2 Tr. 17). Mr. Shingleton indicated that the Commission's Conclusion of Law 5 is erroneous in stating that the Phase I project would be partially funded by accumulated CIFs because "we're not using any CIFs revenue at all on this project." (2 Tr. 23). He explained that the Berkeley County Circuit Court had ruled that the Commission has no authority to approve CIFs and that, because of that decision, the City had revised its proposed financing for the Phase I project by removing its original reliance on two million dollars of CIF revenue as partial funding for Phase I. (2 Tr. 22-23).⁵ He also emphasized that the City is presently collecting few CIFs; that six CIFs have been collected from the three utilities since the beginning of the year; and that, therefore, the one-year stipulated delay will not cost the City much. (Tr. 26-27). Mr. Rodecker pointed out that, in that the CIF will not fund Phase I, the stipulation is consistent with Willow Spring, because the CIF funds collected after the effective date of the increased CIF will be used for future projects necessitated entirely by growth. (2 Tr. 30). He also noted that, at the time Willow Spring was decided, there was no litigation that could impact a CIF, as there is now. (Tr. 35). Mr. Rodecker emphasized the position of the District stated in Dis. Ex. A that the view of the District as to the reasonableness of the amount of the CIF had not changed; the District had accepted that amount, as part of settlement, on the expectation and understanding that it would not come into effect until later. (2 Tr. 30-31). Mr. Blake agreed with Mr. Rodecker's statements and added that the Ranson city council had accepted the stipulated settlement in executive session and, because of attorney/client privilege, he was not free to divulge the council's reasons for accepting the stipulated agreement; he could only say that the council decided it was in Ranson's best interest to accept the stipulated agreement. (2 Tr. 32). He further stated that, because Ranson is a municipality and can change its rates only through ordinance, delaying the effective date of the City's CIF would allow Ranson time to raise its CIF by ordinance, so it would have the money to pay the City's CIF. (2 Tr. 32).⁶ Mr.

⁵Mr. Shingleton emphasized that the City would not use any CIF money, once collected, unless and until the Supreme Court rules that Commission-approved CIFs are legal. (Tr. 26).

⁶Mr. Blake also stated that the facts of Case No. 04-1819-S-MA were significantly different from the facts of this case, because it involved a capacity assurance fee rather than a CIF, and

Rodecker pointed out that, when a utility wants to spend revenue from a CIF, it must have Commission approval to use that money, and agreed with the other parties that the uncertainty regarding the result of the litigation supported the delay. (2 Tr. 36). The undersigned asked the attorneys if any of them disagreed with the factual statements of any other, and, upon being advised that the answer was "no," she stated that she would consider all such statements as factual stipulations, and all of the attorneys stated that they had no objection to her doing so. (2 Tr. 40-41).

The transcript was filed on June 14, 2010.

FINDINGS OF FACT

1. On August 17, 2009, the City of Charles Town adopted an ordinance that increased its Capacity Improvement Fee from \$1,127 to \$5,500 for each residential connection, or each equivalent dwelling unit, to become effective on October 1, 2009. Upon objections filed by the Jefferson County Public Service District and the City of Ranson, the Commission invoked its jurisdiction pursuant to W.Va. Code §24-2-4b; the matter was docketed as Case No. 09-1562-S-MA. (See filings of August 24 and September 15, 2009; Commission Order of September 18, 2009).

2. On November 24, 2009, the City filed with the Commission an application for a certificate of convenience and necessity to renovate and expand its Tuscawilla treatment plant, which serves the Tuscawilla and Locust Hill communities, and to construct additional sewer mains and sewer force mains to direct flow to the renovated Tuscawilla plant rather than to its other plant, the Charles Town plant. The project is referred to as Phase I. Documents filed with the application supported that the City intended to fund the project with a Clean Water State Revolving Fund loan and \$2,000,000 from CIF revenues. The matter was docketed as Case No. 09-1980-S-CN. (See application).

3. In Case No. 09-1980-S-CN, the City published a Notice of Filing on January 7, 2010, in the Spirit of Jefferson Advocate, and the District and Ranson objected and, upon request, were granted intervenor status. (See filings of December 23, 2009, and February 26 and March 8, 2010).

4. On December 7, 2009, the City adopted an ordinance increasing its sewage rates and charges across the board by 57.4%, to become effective upon completion of Phase I. The ordinance was later filed. Upon objections filed by the District and Ranson, the Commission invoked its jurisdiction pursuant to Code §24-2-b; the matter was docketed as Case No. 10-0070-S-MA. The Commission caused to be published a copy of its order on February 4, 2010, in the Spirit of Jefferson Advocate, and no further protests were filed. (See filings of January 6 and 26, 2010; Commission Order of January 29, 2010; filing of March 10, 2010; Commission file).

explained why the City considered the differences to be significant. (2 Tr. 33-35).

5. In Case No. 10-0070-S-MA, Staff reviewed the City's books and records for the fiscal year ending June 30, 2009, and determined that, at going level, the City was operating at a deficit of \$49,036 and debt service coverage of 2.38%. Staff calculated the City's five-year average capital additions at \$18,770, and recommended a revenue increase of 53.3%, which would provide \$3,182,902 in total revenue, \$93,678 for capital additions, and debt service coverage of 116.21%. The City has two tariff schedules. For comparison, the minimum rate for domestic, commercial and industrial customers under Schedule 1 is presently \$15.92; the ordinance rate was \$25.05, and the Staff-recommended minimum rate was \$22.72. Schedule 2's minimum bill for the same classes of customers is presently \$26.98, and the ordinance and the Staff-recommended rates would not raise it because it is higher than the Staff-recommended Schedule 1 rates. The bulk rate is presently \$3.72 per thousand gallons; the ordinance rate was \$5.84 per thousand gallons; and Staff recommended a rate of \$6.37 per thousand gallons. Staff finally recommended modifying the City's leak adjustment rate from \$0.81 to \$0.95 per thousand gallons. (See Final Joint Staff Memorandum and Staff Reports filed on April 30, 2010).

6. In Case No. 09-1980-S-CN, Engineering Staff's report included the following: The proposed Phase I project will provide the Tusawilla plant the capacity immediately upon completion to treat 500,000 gallons per day, and the new design will allow for easy expansion to a capacity of one million gallons per day in the future. The project includes installation of new technology that will provide an advanced level of treatment, including removal from the wastewater of nitrogen and phosphorus, which are nutrients harmful to the Chesapeake Bay. The estimated project cost is \$18,050,750, including an estimated construction cost of \$14,329,000. Most of the major permits and necessary approvals have been received and filed, but some are outstanding, including the NPDES permits. Because the City needs greater treatment capacity and because it must lower the nutrient level of the wastewater, Engineering Staff recommended approval of the project, contingent upon receipt of all outstanding permits and approvals. (See Staff Report).

7. Also in Case No. 09-1980-S-CN, the proposed funding was modified from that provided by the application; no longer was CIF revenue relied upon. Instead, the project would be financed by a DEP CWSRF loan in the amount of \$16,050,750, payable over 30 years with a 0% interest rate and a .5% annual administrative fee rate, and a CWSRF \$2,000,000 deferred or wrap loan, payable over 25 years (beginning in 2017) with a 0% interest rate and a .5% annual administrative fee rate. Financial Staff found the funding appropriate. (See Staff Report; filing of April 29, 2010; 2 Tr. 23).

8. The parties requested consolidation of the three cases, on the basis that they could reach settlement of them, and the Commission granted the request. (See filing of May 24, 2010; Commission Order of June 3, 2010).

9. The Agreed Stipulation, which was not fully executed, includes agreement to the \$5,500 CIF, to become effective on "the date of substantial completion of construction of Phase I of the Tusawilla Plant expansion." The stipulated tariff, as provided in Appendix A hereto, slightly raises the rates from those Staff had recommended for Schedule 1, including a minimum charge of \$23.66,

and leaves the Schedule 1 rates at those presently charged. The stipulated tariff sets the bulk rate at \$6.13. (See filing of May 24, 2010).

10. The stipulated rates will provide about the same amount of revenue as the Staff-recommended rates would provide, and the Schedule 1 general domestic, commercial and industrial rates of the Stipulated Agreement are slightly higher than those Staff had recommended because, in order for the City to qualify for the zero percent interest rate on the CWSRS loans, the rates needed to be higher than the Staff-recommended rates. (See 2 Tr. 9-10).

11. The proceeds from the increased CIF will be used entirely for future projects necessitated by growth. (2 Tr. 30).

12. Delaying the effective date of the increase in the CIF amount will allow the District to pay down its debt incurred for its Flowing Springs project more quickly than if there were no delay, and will also provide Ranson the time to raise its CIF to an amount that will enable it to pay the \$5,500 CIF to Charles Town. (See Dis. Ex. A; 2 Tr. 32).

13. Charles Town agreed to the delay in the effective date of the \$5,500 CIF as part of settlement, balanced by acceptance of the CIF amount of \$5,500, and also because the authority of the Commission to approve CIFs has not been decided by the West Virginia Supreme Court of Appeals and Charles Town is presently collecting few CIFs. (2 Tr. 22-23; 26-27).

14. The District and Ranson agreed to the \$5,500 CIF as part of settlement, balanced by the delay in its effective date. If the Agreed Stipulation is not approved by the Commission, they will continue to litigate Case No. 09-1562-S-MA and rely on their arguments made on exceptions in that matter. (See Dis. Ex. A; 2 Tr. 17, 30-32).

CONCLUSIONS OF LAW

1. In Case No. 09-1980-S-CN, it is appropriate to grant the application and approve the project, pursuant to W.Va. Code §24-2-11, because it is reasonable and necessary, and to approve the modified funding, as stated in Finding of Fact 7, because it is appropriate.

2. It is appropriate to approve the stipulated tariff and accept it as the approved tariff, as provided in Appendix A hereto, to become effective upon the date of substantial completion of the project approved in Case No. 09-1980-S-CN, because it will provide revenue sufficient, but not more than sufficient, to cover the City's reasonable and necessary operating expenses and debt service and to provide the City a reasonable surplus.

3. It is appropriate to approve the Agreed Stipulation, including its providing for a CIF in the amount of \$5,500, to become effective upon the date of substantial completion of construction of

the project approved in Case No. 09-1980-S-CN, because those terms were negotiated among the parties and Staff and are reasonable.

4. Since the CIF revenues to be collected after the \$5,500 CIF becomes effective will not be used for construction of the project approved in Case No. 09-1980-S-CN and will be used for future project necessitated entirely by growth, approval of said CIF is consistent with Willow Spring Public Service Corp., Case No. 06-1180-S-CN-PW-PC (Commission Order of May 15, 2007).

ORDER

IT IS, THEREFORE, ORDERED that the application for a certificate of convenience and necessity filed on August 17, 2009, by the City of Charles Town to renovate and expand its Tuscawilla treatment plant, and to construct additional sewer mains and sewer force mains to direct flow to the renovated Tuscawilla plant, referred to as Phase I, is approved, contingent upon receipt and filing by the City of Charles Town of all outstanding permits.

IT IS FURTHER ORDERED that the funding for the project, consisting of a DEP CWSRF loan in the amount of \$16,050,750, payable over 30 years with a 0% interest rate and a .5% annual administrative fee rate, and a CWSRF \$2,000,000 deferred or wrap loan, payable over 25 years with a 0% interest rate and a .5% annual administrative fee rate, is approved.

IT IS FURTHER ORDERED that, if there is any change in the cost of the project, estimated at \$18,050,750, which affects rates, or in the scope, design or funding of the project, the City of Charles Town file a petition with the Commission for approval of such revisions.

IT IS FURTHER ORDERED that the City of Charles Town comply with all rules and regulations of the Division of Highways regarding the use of those rights-of-way.

IT IS FURTHER ORDERED that, if there are any changes in the project costs that do not affect rates, the City of Charles Town file an affidavit duly executed by its accountant verifying that the City's rates and charges are not affected.

IT IS FURTHER ORDERED that the City of Charles Town file a copy of the engineer's certified tabulation of bids for the project within ten (10) days of the opening date.

IT IS FURTHER ORDERED that the City of Charles Town notify the Commission when its engineer has performed the substantial completion inspection.

IT IS FURTHER ORDERED that the Agreed Stipulation is approved, and that the rates and charges and other tariff changes, as provided in Appendix A of this decision, are approved, to become effective on the date on which the project approved in Case No. 09-1980-S-CN is certified as substantially complete.

IT IS FURTHER ORDERED that the parties as soon as possible file a fully executed copy of the Agreed Stipulation.

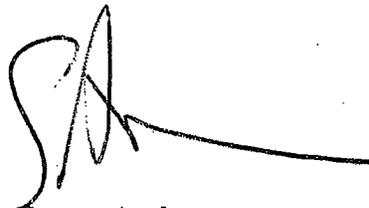
IT IS FURTHER ORDERED that this matter be removed from the Commission's docket of open cases.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this order upon the Commission by hand delivery, and by electronic service upon all parties of record who have filed an e-service agreement with the Commission and by United States Certified Mail, return receipt requested, upon all parties of record who have not filed an e-service agreement with the Commission.

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

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

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



Sunya Anderson
Administrative Law Judge

SA:s
091562ad.wpd

CITY OF CHARLES TOWN
CASE NOS. 09-1562-S-MA, 09-1980-S-CN, AND 10-0070-S-MA

APPROVED TARIFF

SCHEDULE 1

APPLICABILITY

Applicable within the entire territory served excluding the entire area known as the Huntfield subdivision.

AVAILABILITY

Available for general domestic, commercial, and industrial service and sale for resale sewer service.

RATES (Customers with metered water supply)

First	2,000 gallons used per month	\$11.83 per 1,000 gallons
Next	8,000 gallons used per month	\$ 8.51 per 1,000 gallons
Next	20,000 gallons used per month	\$ 7.73 per 1,000 gallons
All over	30,000 gallons used per month	\$ 6.85 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than \$23.66 per month, which is the equivalent of 2,000 gallons.

FLAT RATE CHARGE (Customers with non-metered water supply)

Equivalent of 4,500 gallons of water usage, \$44.94 per month

RESALE RATE

\$6.13 per 1,000 gallons per month

RESALE CREDIT (Applicable only to Jefferson County Public Service District)

A monthly credit of \$3,451 per month will be credited against the respective bill rendered to Jefferson County Public Service District for debt incurred by the District as part of the 2000 Charles Town Treatment Plant upgrade. This credit will remain in effect until the indebtedness associated with the respective upgrade is satisfied (Mature 2031).

TRANSPORTATION CREDIT (Applicable only to Jefferson County Public Service District)

A monthly credit of \$1,009 per month will be credited against the respective bill rendered to Jefferson County Public Service District for reimbursement of fixed debt associated with lift stations needed to transport Charles Town's sewage from the former Sanitary Associates service area. The credit will be given until the indebtedness is satisfied. In addition to the monthly credit of \$1,009, a transportation credit of \$1.65 per thousand gallons shall be provided to Jefferson County Public Service District for all flows from the former Sanitary Associates area.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

The following charges are to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of \$400.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the sewer utility up to a maximum of \$25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank due to insufficient funds.

LEAK ADJUSTMENT

\$0.95 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SECURITY DEPOSIT

A deposit of \$50.00 or 2/12 of the average annual usage of the applicant's specific customer class, whichever is greater.

SCHEDULE 2

APPLICABILITY

Applicable within the entire territory known as the Huntfield subdivision.

AVAILABILITY

Available for general domestic, commercial, industrial and sale for resale sewer service.

RATES (Customers with metered water supply)
\$11.50 per 1,000 gallons of metered water usage

MINIMUM CHARGE

No bill will be rendered for less than \$26.98 per month.
The above minimum charge is subject to an additional \$0.71 per thousand gallons per month.

FLAT RATE CHARGE (Customers with non-metered water supply)
Equivalent of 4,500 gallons of water usage, \$51.75 per month

MULTIPLE OCCUPANCY

For unmetered trailer parks, the monthly charge for services shall be equal to the number of units multiplied by the unmetered charge provided above.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

The following charges are to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of \$250.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

DISCONNECT/RECONNECT/ADMINISTRATIVE FEE

Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with the City of Charles Town, a disconnection fee of \$10.00 shall be charged. Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with Jefferson Utilities, Inc., a disconnection fee of \$20.00 shall be charged.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with the City of Charles Town is reconnected, a reconnection fee of \$10.00 shall be charged. Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with Jefferson Utilities, Inc., is reconnected, a reconnection fee of \$20.00 shall be charged.

LEAK ADJUSTMENT

\$0.95 per M gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the sewer utility up to a maximum of \$25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank due to insufficient funds.

SCHEDULE 3

APPLICABILITY

Applicable to Developers, which is defined as a person, corporation or entity who is in the business of land and/or commercial or housing development for profit, or a person, corporation, or entity who requests an alternate main line extension that includes the installation of mains by the person, corporation or entity. Applicable to non-Developers when the property at issue is a subdivided portion of a Previously Developed Tract. The term "Previously Developed Tract" as used in this Order is defined as property previously subdivided for commercial or housing development, for profit. Owners of existing or new (being constructed) single-family structures, where the person applying for service will be the customer of record, and the proposed service location is not part of a Previously Developed Tract, shall be exempt from payment of the Capital Capacity Improvement Fee.

CAPITAL CAPACITY IMPROVEMENT FEE

There shall be paid to the City at the time of issuance by the City of a final sewer availability letter for the property to be served a capital capacity improvement fee of \$5,500 for each residential connection. Connections for non-residential use shall be paid in accordance with a residential usage equivalent schedule set forth below. The funds collected from the capital capacity improvement fee shall be maintained in a separate fund administered jointly by the City, Jefferson County PSD and the City of Ranson or their designees and shall be used only for the purpose of improving the City's treatment facilities.

ADDITIONAL CAPACITY IMPROVEMENT FEE - HUNTFIELD PUMP STATION

There shall be paid to the City at the time of issuance by the City of a final sewer availability letter for any development using the Huntfield pump station an additional capacity improvement fee - Huntfield pump station of \$2,875.00 for each equivalent dwelling unit. The funds collected from the capacity improvement fee shall be maintained in a separate fund administered by the City and shall be used only for the purpose of expanding the Huntfield pump station. All properties within the originally annexed acreage of the Huntfield subdivision, as described by the annexation of additional territory of the City of Charles Town pursuant to West Virginia Code 8-6-4 order by the County Commission of Jefferson County dated January 10, 2002, shall be exempt from this fee.

The usage equivalent for other than single family residential units for the capital capacity improvement fee and additional capacity improvement fee - Huntfield pump station shall be based upon the following:

RESIDENTIAL USAGE EQUIVALENTS
FOR CAPACITY IMPROVEMENT CAPITAL COST FEE

<u>WATER UNIT</u>	<u>RESIDENTIAL GALLONS/DAY</u>	<u>USAGE EQUIVALENT</u>
Apartments	150/unit	1.0/unit
Bowling Alleys	200/alley	1.33/alley
Churches with kitchen	8/member	0.05/member
Churches w/o kitchen	2/member	0.013/member
Food Service	32/seat	0.213/seat
Fast Food Restaurant	35/seat	0.23/seat
Bar & Cocktail Lounge (additive)	2/patron	0.013/patron
Tavern-Little or no food	20/seat	0.132/per seat
Hotel 120/room	0.8/per room	
Industry, sanitary	15/person/shift	0.1/person per shift
Institutions:		
Hospital	250/bed	1.67/bed
Nursing Homes	150/bed	1.0/bed
Others	75/person	0.5/person
Office Buildings	15/person	0.1/person
Laundry Self Service	250/washer	1.67/washer
Motels	120/room	0.8/room
Retail Stores	400/toilet room	2.67/toilet room
Residence	150/residence	1.0/residence
School:		
Day, no cafeteria/showers	15/pupil	0.1/pupil
Day with cafeteria	18/pupil	0.12/pupil
Day with cafeteria/showers	20/pupil	0.133/pupil
Boarding	75/pupil	0.5/pupil
Service Station	500/set of pumps	3.33/set of pumps
Shopping Centers	16/100 ft. of sales area	0.12/100 ft. of sales area
Swimming Pools	10/swimmer design capacity	0.067/swimmer design capacity
Theaters	3/seat	0.02/seat
Warehouse	15/employee	0.1/employee

If a unit does not appear on this schedule the sewer department shall determine its Residential Usage Equivalent in consultation with its consulting engineer.

✓

Law Offices of Hoy Shingleton, L.C.
115 Aikens Center Suite 24
Martinsburg, West Virginia 25404

304-262-4773 Telephone
304-262-4775 Fax

shinglet@comcast.net

January 24, 2010

Ms. Sandra Squire, Executive Secretary
Public Service Commission
of West Virginia
201 Brooks Street
PO Box 812
Charleston, WV 25323

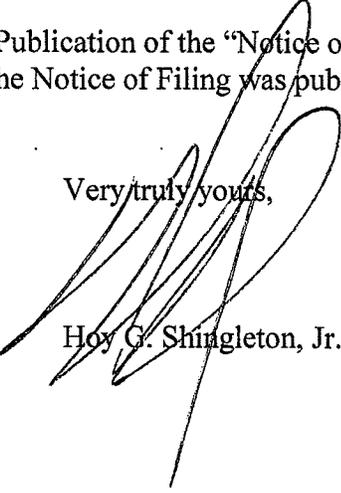
Re: City of Charles Town
Case Number 09-1980-S-CN

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2010 FEB 26 AM 8 43
W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

Dear Ms. Squire:

Enclosed is a copy of the Certificate of Publication of the "Notice of Filing" required to be published in the above referenced matter. The Notice of Filing was published in the Spirit of Jefferson Advocate on January 7, 2010.

Very truly yours,


Hoy G. Shingleton, Jr.

HGS/lpt

Enclosure

CC: Jane Arnett, Utility Manager
City of Charles Town

Ron Robertson, Staff Attorney
Public Service Commission of WV

customer's historical average usage.

SECURITY DEPOSIT

A deposit of \$50.00 or 2/12 of the average annual usage of the applicant's specific customer class, whichever is greater.

SCHEDULE III

APPLICABILITY

Applicable to Developers, which is defined as a person, corporation or entity who is in the business of land and/or commercial or housing development for profit, or a person, corporation or entity who requests an alternate main line extension that includes the installation of mains by the person, corporation or entity. Applicable to non-Developers when the property at issue is a subdivided portion of a Previously Developed Tract. The term "Previously Developed Tract" as used in this Order is defined as property previously subdivided for commercial or housing development, for profit. Owners of existing or new (being constructed) single-family structures, where the person applying for service will be the customer of record, and the proposed service location is not part of a Previously Developed Tract, shall be exempt from payment of the Capital Capacity Improvement Fee.

CAPITAL CAPACITY IMPROVEMENT FEE

There shall be paid to the City at the time of issuance by the City of a final sewer availability letter for the property to be served a capital capacity improvement fee of \$5,500.00 for each residential connection. Connections for non-residential use shall be paid in accordance with a residential usage equivalent schedule set forth below; the funds collected from the capital capacity improvement fee shall be maintained in a separate fund administered jointly by the City, Jefferson County PSD and the City of Ranson or their designees and shall be used only for the purpose of improving the City's treatment facilities. An exemp-

Hospital	250/bed	1.67/bed
Nursing Homes	150/bed	1.0/bed
Others	75/person	0.5/person
Office Buildings	15/person	0.1/person
Laundry Self Service	250/washer	1.67/washer
Motels	120/room	0.8/room
Retail Stores	400/toilet room	2.67/toilet room
Residence	150/residence	1.0/residence
School:		
Day, no cafeteria/showers	15/pupil	0.1/pupil
Day with cafeteria	18/pupil	0.12/pupil
Day with cafeteria/showers	20/pupil	0.133/pupil
Boarding	75/pupil	0.5/pupil
Service Station	500/set of pumps	3.33/set of pumps
Shopping Centers	16/100 ft. of sales area	0.12/100 ft. of sales area
Swimming Pools	10/swimmer design capacity	0.067/swimmer design capacity
Capacity Theaters	3/seat	0.02/seat
Warehouse	15/employee	0.1/employee

If a unit does not appear on this schedule the sewer department shall determine its Residential Usage Equivalent in consultation with its consulting engineer.

EFFECTIVE DATE

The rates and charges provided herein shall become effective forty-five (45) days after final enactment hereof.

SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

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COMMISSION
SECRETARY'S OFFICE

tion will be granted upon certification of a defined Affordable Housing unit as fully described in the City of Charles Town Resolution 2006-08.

ADDITIONAL CAPACITY IMPROVEMENT FEE-HUNTFIELD PUMP STATION

There shall be paid to the City at the time of issuance by the city of a final sewer availability letter for any development using the Huntfield pump station an additional capacity improvement fee-Huntfield pump station of \$2,875.00 for each equivalent dwelling unit. The funds collected from the capacity improvement fee shall be maintained in a separate fund administered by the City and shall be used only for the purpose of expanding the Huntfield pump station. All properties within the originally annexed acreage of the Huntfield subdivision, as described by the annexation of additional territory of the City of Charles Town pursuant to West Virginia Code 8-6-4 order by the County Commission of Jefferson County dated January 10, 2002, shall be exempt from this fee.

The usage equivalent for other than single family residential units for the capital capacity improvement fee and additional capacity improvement fee-Huntfield pump station shall be based upon the following:

RESIDENTIAL USAGE EQUIVALENTS FOR CAPACITY IMPROVEMENT CAPITAL COST FEE

Unit	Water Gallons/Day	Residential Usage Equivalent
Apartments	150/unit	1.0/unit
Bowling Alleys	200/alley	1.33/alley
Churches w/ kitchen	8/member	0.05/member
Churches w/o kitchen	2/member	0.013/member
Food Service	32/seat	0.213/seat
Fast Food Restaurant	35/seat	0.23/seat
Bar & Cocktail Lounge (additive)	2/patron	0.013/patron
Tavern-little or no food	20/seat	0.132/ per seat
Hotel	120/room	0.8/per room
Industry, sanitary	15/person/shift	0.1/person per shift
Institutions:		

The provisions of this Ordinance are separable, and if any clause, provision or section hereof shall be held void or unenforceable by the West Virginia Public Service Commission or any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed, and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

THESE RATES ARE THE CURRENT USER RATES AND THERE WILL BE NO CHANGE IN RATES

Pursuant to W. Va. Code §24-2-11, IT IS ORDERED that the City of Charles Town give notice of the filing of said application, by publishing a copy of this order once in a qualified newspaper as provided in W. Va. Code §59-3-1 et seq, published and of general circulation in Jefferson County, making due return to this Commission of proper certification of publication immediately after publication. Anyone desiring to protest or intervene should file a written protest or notice of intervention within 30 days following the date of this publication unless otherwise modified by Commission order. Failure to timely protest or intervene can affect your right to protest aspects of this certificate case, including any associated rate increases, or to participate in future proceedings. All protests or requests to intervene should briefly state the reason for the protest or intervention. Requests to intervene must comply with the Commission's rules on intervention set forth in the Commission's Rules of Practice and Procedure. All protests and interventions should be addressed to Sandra Squire, Executive Secretary, P.O. Box 812, Charleston, West Virginia 25323.

IT IS FURTHER ORDERED that if there is no substantial protest to the Application received within said thirty day period, the Commission may waive formal hearing and grant the application based on the evidence submitted with said application and its review thereof.

A True Copy, Testee:
Sandra Squire
Executive Secretary

1/7/11

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 W VA PUBLIC SERVICE
 COMMISSION
 SECRETARY'S OFFICE

Certificate of Publication

JEFFERSON PUBLISHING COMPANY, INC., Publisher
SPIRIT OF JEFFERSON ADVOCATE

Charles Town, W. Va. January 7 2010

I hereby certify that the annexed Notice of filing

in the case of City of Charles Town Utility Board Case No. 09-1980-S-CN

For a certificate to construct certain additions and improvements to its waste water treatment system

has been published once a week for one successive weeks, in the Spirit of Jefferson

Advocate, a newspaper published in Charles Town, Jefferson County, West Virginia, in the issues of

January 7, 2010.

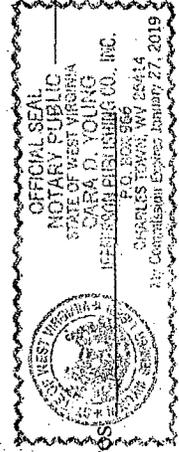
as required by law.


Editor/Manager, Spirit of Jefferson Advocate

State of West Virginia
County of Jefferson
Personally appeared before me, Craig See

Editor/Manager

of the Spirit of Jefferson Advocate, and made oath that the above certificate is true and correct.



2010 FEB 26 AM 8 43
WVA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE
Notary Public

Commission expires

**PUBLIC SERVICE COMMISSION OF
WEST VIRGINIA CHARLESTON**

Entered by the Public Service Commission of West Virginia, in the City of Charleston on the 24th day of November, 2009.

CASE NO. 09-1980-S-CN
CITY OF CHARLES TOWN

Application of City of Charles Town Utility Board, on behalf of the City of Charles Town, Jefferson County, West Virginia for a Certificate of Convenience and Necessity to Construct Improvements to an Existing Waste Water Treatment System.

NOTICE OF FILING

On November 24, 2009, the Charles Town Utility Board, on behalf of the City of Charles Town, filed an application, duly verified, for a Certificate to construct certain additions and improvements to its waste water treatment system in Jefferson County, West Virginia. The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

The City of Charles Town estimates that construction will cost approximately \$18,000,000.00, and it is proposed that the construction will be financed as follows:

Issuance of revenue bonds in an amount not to exceed the amount of \$20,000,000.00 from the West Virginia Infrastructure and Jobs Development Council and Crews &

Associates

The utility anticipates charging the following user rates for its customers:

I. Rules and Regulations for the Government of Sewerage Utilities adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereafter made by the Commission are hereby adopted by reference.

II. MULTIPLE OCCUPANCY

In apartment buildings, shopping centers or other multiple occupancy buildings, each unit shall be required to pay not less than the minimum monthly charge provided above.

SCHEDULE I

APPLICABILITY

Applicable within the entire territory served including the entire area known as the Huntfield subdivision and immediately upon the completion of the Tuscawilla Waste-water Project to a 0.5 MGD facility.

AVAILABILITY

Available for general domestic, commercial and industrial service and sale for resale sewer service.

RATES (Customers with a metered water supply)

First 2,000 gallons used per month	\$12.52 per 1,000 gallons
Next 8,000 gallons used per month	9.02 per 1,000 gallons
Next 20,000 gallons used per month	8.18 per 1,000 gallons
All over 30,000 gallons used per month	7.25 per 1,000 gallons

MINIMUM CHARGE

No bill shall be rendered for less than \$25.05 per month, which is the equivalent of 2,000 gallons.

FLAT RATE CHARGE (Customers with non-metered water supply)

Equivalent of 4,500 gallons of water usage, \$47.59 per month

RESALE RATE

\$5.84 per 1,000 gallons per month

RESALE CREDIT (Applicable only to Jefferson County Public Service District)

A monthly credit of \$3,451 per month will be credited against the respective bill rendered to Jefferson County Public Service District for debt incurred by the District as part of the 2000 Charles Town Treatment Plant upgrade. This credit will remain in effect until the indebtedness associated with the respective upgrade is satisfied (Matures 2031).

DELAYED PAYMENT PENALTY

The above scheduled is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

The following charge is to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of \$400.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

If a check is returned by the bank for any reason, the bank's charge to the Utility shall be the Utility's charge to the customer for such a bad check, but such charge to customers shall not exceed \$25.00.

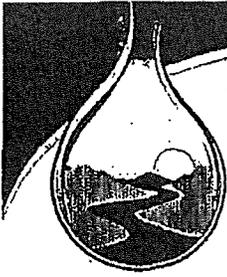
LEAK ADJUSTMENT

\$0.81 per 1,000 gallons of water is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above cus-

RECEIVED

2010 FEB 26 AM 8 44

W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE



WEST VIRGINIA

Infrastructure & Jobs Development Council

Gov. Joe Manchin, III
Chairman

February 10, 2009

Kenneth Lowe, Jr.
Public Member

Jane Arnett, Utility Manager
Charles Town Utility Board
P.O. Box 359
Charles Town, WV 25414

Dwight Calhoun
Public Member

David "Bones" McComas
Public Member

Re: City of Charles Town (Utility Board)
Sewer Project 2008S-1069

Ron Justice
Public Member

Dear Ms. Arnett,

Barbara J. Pauley
Administrative Secretary

The West Virginia Infrastructure and Jobs Development Council (Council) has reviewed the City of Charles Town's (City) resubmitted preliminary application to upgrade the Tuscowilla wastewater treatment plant to Chesapeake Bay standards (Project).

Based on the findings of the Sewer Technical Review Committee, the Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The City should carefully review the enclosed comments of the Sewer Technical Review Committee as the City may need to address certain issues raised in said comments as it proceeds with the Project.

Upon consideration of the resubmitted preliminary application, the Council determined that the City should pursue a \$15,550,750 Clean Water State Revolving Fund loan and utilize \$2,000,000 from capacity fees to fund this \$17,550,750 project. Please contact the West Virginia Division of Environmental Protection office at (304) 926-0499 X1611 for specific information on the steps the City needs to follow to apply for these funds. **Please note that this letter does not constitute funding approval from this agency.**

If you have any questions regarding this matter, please contact the Council at 304-558-4607.

Sincerely,

Kenneth Lowe, Jr.

Enclosure

cc: Mike Johnson, P.E., DEP (w/o enclosure) (via e-mail)
Region IX Eastern Panhandle Planning & Development Council
Peter J. H. Thomson, P.E., Black & Veatch

CITY OF CHARLES TOWN

Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A; and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B
(West Virginia SRF Program)

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

On the 22nd day of July, 2011, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor of the City of Charles Town (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), of the Issuer, in the principal amount of \$13,147,192, numbered AR-1, issued as a single, fully registered Bond, dated July 22, 2011 (the "Series 2011 A Bonds"), and the Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B (West Virginia SRF Program), of the Issuer, in the principal amount of \$2,000,000, numbered BR-1, issued as a single, fully registered Bond, dated July 22, 2011 (the "Series 2011 B Bonds"),

2. At the time of such receipt, all the Series 2011 A Bonds and Series 2011 B Bonds had been executed by the Mayor and the Clerk of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Series 2011 A Bonds and Series 2011 B Bonds.

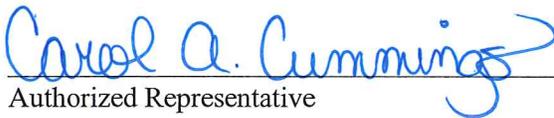
3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2011 A Bonds, an amount of \$657,360, being a portion of the principal amount of the Series 2011 A Bonds. The balance of the principal amount of the Series 2011 A Bonds will be advanced by the Authority and the West Virginia Department of Environmental Protection to the Issuer as acquisition and construction of the Project progresses.

4. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2011 B Bonds, an amount of \$100,000, being a portion of the principal amount of the Series 2011 B Bonds. The balance of the principal amount of the Series 2011 B Bonds will be advanced by the Authority and the West Virginia Department of Environmental Protection to the Issuer as acquisition and construction of the Project progresses.

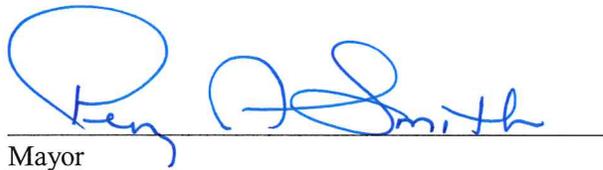
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Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY


Authorized Representative

CITY OF CHARLES TOWN


Mayor

144220.00016

CITY OF CHARLES TOWN

Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A; and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B
(West Virginia SRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

Huntington National Bank
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 22nd day of July, 2011:

(1) Bond No. AR-1, constituting the entire original issue of the City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), in the principal amount of \$13,147,192, and Bond No. BR-1, constituting the entire original issue of the City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B (West Virginia SRF Program), in the principal amount of \$2,000,000, (collectively, the "Series 2011 Bonds"), executed by the Mayor and the Clerk of the City of Charles Town (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance duly enacted by the Issuer on May 16, 2011, and a Supplemental Resolution duly adopted by the Issuer on July 5, 2011 (collectively, the "Bond Legislation");

(2) A copy of the Bond Legislation authorizing the above-captioned Bonds, duly certified by the Clerk of the Issuer;

(3) Executed counterparts of a Bond Purchase Agreement for the Series 2011 Bonds, dated July 22, 2011, by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP") (the "Bond Purchase Agreement"); and

(4) Executed opinions of nationally recognized bond counsel regarding the validity of the Bond Purchase Agreement and the Series 2011 Bonds.

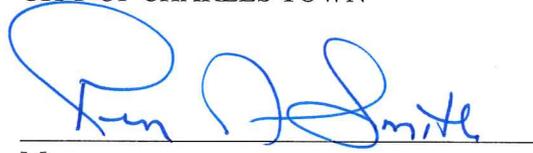
You are hereby requested and authorized to deliver the Series 2011 A Bonds to the Authority upon payment to the Issuer of the sum of \$657,360, representing a portion of the principal amount of the Series 2011 A Bonds. Prior to such delivery of the Series 2011 A Bonds, you will please cause the Series 2011 A Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

You are hereby requested and authorized to deliver the Series 2011 B Bonds to the Authority upon payment to the Issuer of the sum of \$100,000, representing a portion of the principal amount of the Series 2011 B Bonds. Prior to such delivery of the Series 2011 B Bonds, you will please cause the Series 2011 B Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

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Dated as of the day and year first written above.

CITY OF CHARLES TOWN

A handwritten signature in blue ink, appearing to read "Ken A. Smith", is written over a horizontal line.

Mayor

144220.00016

TO: Chris Jarrett, WDA
Shelia Miller, WDA
Sara Rogers, MBC

FROM: Kathy Emery, DEP

RE: City of Charles Town, West Virginia, Water and Sewer Revenue Bonds,
Series 2011 A, Series 2011 B and Series 2012 A

The West Virginia Water Development Authority holds the above referenced bonds (“Bonds”) on behalf of the West Virginia Clean Water Revolving Loan Fund (“CWSRF”). The Bonds were issued to provide funds to pay a portion of the eligible costs certified pursuant to SB 245 and Chapter 31, 15A, 17b. Please apply the grant funds received for Charles Town as follows:

1. Pay in full the Series 2011 B outstanding balance of \$2,000,000.
2. Pay in full the Series 2012 A outstanding balance of \$1,477,000.
3. Use the remaining balance to prepay a portion of the Series 2011 A Bonds. Please request an amortization schedule reamortizing the remaining \$6,634,880.94 balance over the remaining life of the loan (December 1, 2014-June 1, 2041).

Please transfer the grant funds to the West Virginia Municipal Bond Commission on or before November 20, 2014, to be applied on the regular quarterly payment date of December 1, 2014. Please request a revised debt service schedule for the Series 2011 A Bonds reflecting the reduced principal amount but maintaining the current amortization term.

Please advise if you have any questions.

Net Debt Service
City of Charles Town
SRF

\$6,634,880.94

0% Interest Rate

0.5% Administrative Fee

Date	Principal	Interest	Total Debt Service	Admin Fee	Net Debt Service
3/1/2015	62,593.22	-	62,593.22	4,185.92	70,886.82
6/1/2015	62,593.22	-	62,593.22	4,185.92	70,808.58
9/1/2015	62,593.22	-	62,593.22	4,185.92	70,730.34
12/1/2015	62,593.22	-	62,593.22	4,185.92	70,652.10
3/1/2016	62,593.22	-	62,593.22	4,185.92	70,573.86
6/1/2016	62,593.22	-	62,593.22	4,185.92	70,495.61
9/1/2016	62,593.22	-	62,593.22	4,185.92	70,417.37
12/1/2016	62,593.22	-	62,593.22	4,185.92	70,339.13
3/1/2017	62,593.22	-	62,593.22	4,185.92	70,260.89
6/1/2017	62,593.22	-	62,593.22	4,185.92	70,182.65
9/1/2017	62,593.22	-	62,593.22	4,185.92	70,104.41
12/1/2017	62,593.22	-	62,593.22	4,185.92	70,026.16
3/1/2018	62,593.22	-	62,593.22	4,185.92	69,947.92
6/1/2018	62,593.22	-	62,593.22	4,185.92	69,869.68
9/1/2018	62,593.22	-	62,593.22	4,185.92	69,791.44
12/1/2018	62,593.22	-	62,593.22	4,185.92	69,713.20
3/1/2019	62,593.22	-	62,593.22	4,185.92	69,634.96
6/1/2019	62,593.22	-	62,593.22	4,185.92	69,556.72
9/1/2019	62,593.22	-	62,593.22	4,185.92	69,478.47
12/1/2019	62,593.22	-	62,593.22	4,185.92	69,400.23
3/1/2020	62,593.22	-	62,593.22	4,185.92	69,321.99
6/1/2020	62,593.22	-	62,593.22	4,185.92	69,243.75
9/1/2020	62,593.22	-	62,593.22	4,185.92	69,165.51
12/1/2020	62,593.22	-	62,593.22	4,185.92	69,087.27
3/1/2021	62,593.22	-	62,593.22	4,185.92	69,009.02
6/1/2021	62,593.22	-	62,593.22	4,185.92	68,930.78
9/1/2021	62,593.22	-	62,593.22	4,185.92	68,852.54
12/1/2021	62,593.22	-	62,593.22	4,185.92	68,774.30
3/1/2022	62,593.22	-	62,593.22	4,185.92	68,696.06
6/1/2022	62,593.22	-	62,593.22	4,185.92	68,617.82
9/1/2022	62,593.22	-	62,593.22	4,185.92	68,539.58
12/1/2022	62,593.22	-	62,593.22	4,185.92	68,461.33
3/1/2023	62,593.22	-	62,593.22	4,185.92	68,383.09
6/1/2023	62,593.22	-	62,593.22	4,185.92	68,304.85
9/1/2023	62,593.22	-	62,593.22	4,185.92	68,226.61
12/1/2023	62,593.22	-	62,593.22	4,185.92	68,148.37
3/1/2024	62,593.22	-	62,593.22	4,185.92	68,070.13
6/1/2024	62,593.22	-	62,593.22	4,185.92	67,991.88
9/1/2024	62,593.22	-	62,593.22	4,185.92	67,913.64
12/1/2024	62,593.22	-	62,593.22	4,185.92	67,835.40
3/1/2025	62,593.22	-	62,593.22	4,185.92	67,757.16
6/1/2025	62,593.22	-	62,593.22	4,185.92	67,678.92
9/1/2025	62,593.22	-	62,593.22	4,185.92	67,600.68
12/1/2025	62,593.22	-	62,593.22	4,185.92	67,522.44
3/1/2026	62,593.22	-	62,593.22	4,185.92	67,444.19
6/1/2026	62,593.22	-	62,593.22	4,185.92	67,365.95
9/1/2026	62,593.22	-	62,593.22	4,185.92	67,287.71

Net Debt Service
 City of Charles Town
 SRF
 \$6,634,880.94
 0% Interest Rate
 0.5% Administrative Fee

Date	Principal	Interest	Total Debt Service	Admin Fee	Net Debt Service
12/1/2026	62,593.22	-	62,593.22	4,185.92	67,209.47
3/1/2027	62,593.22	-	62,593.22	4,185.92	67,131.23
6/1/2027	62,593.22	-	62,593.22	4,185.92	67,052.99
9/1/2027	62,593.22	-	62,593.22	4,185.92	66,974.74
12/1/2027	62,593.22	-	62,593.22	4,185.92	66,896.50
3/1/2028	62,593.22	-	62,593.22	4,185.92	66,818.26
6/1/2028	62,593.22	-	62,593.22	4,185.92	66,740.02
9/1/2028	62,593.22	-	62,593.22	4,185.92	66,661.78
12/1/2028	62,593.22	-	62,593.22	4,185.92	66,583.54
3/1/2029	62,593.22	-	62,593.22	4,185.92	66,505.30
6/1/2029	62,593.22	-	62,593.22	4,185.92	66,427.05
9/1/2029	62,593.22	-	62,593.22	4,185.92	66,348.81
12/1/2029	62,593.22	-	62,593.22	4,185.92	66,270.57
3/1/2030	62,593.22	-	62,593.22	4,185.92	66,192.33
6/1/2030	62,593.22	-	62,593.22	4,185.92	66,114.09
9/1/2030	62,593.22	-	62,593.22	4,185.92	66,035.85
12/1/2030	62,593.22	-	62,593.22	4,185.92	65,957.61
3/1/2031	62,593.22	-	62,593.22	4,185.92	65,879.36
6/1/2031	62,593.22	-	62,593.22	4,185.92	65,801.12
9/1/2031	62,593.22	-	62,593.22	4,185.92	65,722.88
12/1/2031	62,593.21	-	62,593.21	4,185.92	65,644.63
3/1/2032	62,593.21	-	62,593.21	4,185.92	65,566.39
6/1/2032	62,593.21	-	62,593.21	4,185.92	65,488.15
9/1/2032	62,593.21	-	62,593.21	4,185.92	65,409.90
12/1/2032	62,593.21	-	62,593.21	4,185.92	65,331.66
3/1/2033	62,593.21	-	62,593.21	4,185.92	65,253.42
6/1/2033	62,593.21	-	62,593.21	4,185.92	65,175.18
9/1/2033	62,593.21	-	62,593.21	4,185.92	65,096.94
12/1/2033	62,593.21	-	62,593.21	4,185.92	65,018.70
3/1/2034	62,593.21	-	62,593.21	4,185.92	64,940.46
6/1/2034	62,593.21	-	62,593.21	4,185.92	64,862.21
9/1/2034	62,593.21	-	62,593.21	4,185.92	64,783.97
12/1/2034	62,593.21	-	62,593.21	4,185.92	64,705.73
3/1/2035	62,593.21	-	62,593.21	4,185.92	64,627.49
6/1/2035	62,593.21	-	62,593.21	4,185.92	64,549.25
9/1/2035	62,593.21	-	62,593.21	4,185.92	64,471.01
12/1/2035	62,593.21	-	62,593.21	4,185.92	64,392.76
3/1/2036	62,593.21	-	62,593.21	4,185.92	64,314.52
6/1/2036	62,593.21	-	62,593.21	4,185.92	64,236.28
9/1/2036	62,593.21	-	62,593.21	4,185.92	64,158.04
12/1/2036	62,593.21	-	62,593.21	4,185.92	64,079.80
3/1/2037	62,593.21	-	62,593.21	4,185.92	64,001.56
6/1/2037	62,593.21	-	62,593.21	4,185.92	63,923.32
9/1/2037	62,593.21	-	62,593.21	4,185.92	63,845.07
12/1/2037	62,593.21	-	62,593.21	4,185.92	63,766.83
3/1/2038	62,593.21	-	62,593.21	4,185.92	63,688.59
6/1/2038	62,593.21	-	62,593.21	4,185.92	63,610.35

Net Debt Service
 City of Charles Town
 SRF
 \$6,634,880.94
 0% Interest Rate
 0.5% Administrative Fee

Date	Principal	Interest	Total Debt Service	Admin Fee	Net Debt Service
9/1/2038	62,593.21	-	62,593.21	4,185.92	63,532.11
12/1/2038	62,593.21	-	62,593.21	4,185.92	63,453.87
3/1/2039	62,593.21	-	62,593.21	4,185.92	63,375.63
6/1/2039	62,593.21	-	62,593.21	4,185.92	63,297.38
9/1/2039	62,593.21	-	62,593.21	4,185.92	63,219.14
12/1/2039	62,593.21	-	62,593.21	4,185.92	63,140.90
3/1/2040	62,593.21	-	62,593.21	4,185.92	63,062.66
6/1/2040	62,593.21	-	62,593.21	4,185.92	62,984.42
9/1/2040	62,593.21	-	62,593.21	4,185.92	62,906.18
12/1/2040	62,593.21	-	62,593.21	4,185.92	62,827.93
3/1/2041	62,593.21	-	62,593.21	4,185.92	62,749.69
6/1/2041	62,593.22	-	62,593.22	4,186.05	62,671.46
	6,634,880.94	-	6,634,880.94	443,707.65	7,078,588.59

IC-CB/GR
(09/14)

GRANT AGREEMENT
(2011S-1304/2008S-1069)

This Grant Agreement (the "Grant Agreement" or "Agreement") entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), at the direction of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council"), and the CITY OF CHARLES TOWN (the "Governmental Instrumentality").

RECITALS

WHEREAS, pursuant to Chapter 31, Article 15A, Section 17b (the "Act") of the Code of West Virginia, 1931, as amended, the Authority, at the direction of the Council may make grants for the design and construction of watershed compliance projects from the West Virginia Infrastructure Lottery Revenue Debt Service Fund to the extent monies in the fund are not required to pay debt service and from the proceeds of infrastructure lottery revenue bonds;

WHEREAS, simultaneously with the execution of this Grant Agreement, the Authority will issue its Infrastructure Excess Lottery Revenue Bonds, 2014 Series A (the "Bonds");

WHEREAS, the Governmental Instrumentality has a watershed compliance project that has been determined to be an eligible project pursuant to the Act;

WHEREAS, the Council has authorized the Authority to make a grant from proceeds of the Bonds to the Governmental Instrumentality in the amount not to exceed \$10,903,213.21, which includes the \$1,399,021 awarded under the Grant Agreement dated June 18, 2014 (the "Construction Grant"), between the Authority and the Governmental Instrumentality (the "Grant") for the purposes of constructing of the eligible portion of the project as more specifically set forth in the Schedule B attached hereto and incorporated herein as Exhibit A;

WHEREAS, the Governmental Instrumentality wishes to accept the Grant upon such terms and conditions as are hereinafter set forth for the purposes of constructing the eligible portion of the project described in Exhibit B attached hereto and incorporated herein by reference (the "Project");

WHEREAS, this Grant Agreement sets forth the Council, the Authority and the Governmental Instrumentality's understandings and agreements with regard to the Grant.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Authority and the Governmental Instrumentality hereby agree as follows:

T E R M S

1. A. Prior to the distribution of any of the Grant funds, the Governmental Instrumentality shall provide the Council and the Authority with construction budget and an anticipated monthly draw schedule. The Project budget shall not be amended unless the Governmental Instrumentality has received the prior written consent of the Council. Total construction costs for the Project are \$25,311,750 and the portion eligible for the Grant is \$21,537,600. Taking into account the amounts previously drawn under the Construction Grant, the Governmental Instrumentality shall not draw more than \$9,504,192.21. A record of advances of the draws on the Grant is set forth as Exhibit C.

B. The Governmental Instrumentality shall continue to draw on the \$1,399,021 for construction of the Project. The Governmental Instrumentality agrees and acknowledges that the Authority will deposit \$9,504,192.21 with the West Virginia Municipal Bond Commission for the partial payment of the Governmental Instrumentality's Water and Sewer Revenue Bonds, Series 2011 A, Series 2011 B and Series 2012 A.

2. The Governmental Instrumentality agrees that it has either (1) entered into binding contracts and issued a notice to proceed for the Project, or (2) that it will enter into binding contracts and issue a notice to proceed within twenty four months of the date of this agreement. If the Governmental Instrumentality has not entered into binding contracts and issued the notice to proceed by such date, it acknowledges and agrees that this Grant Agreement will be terminated and no further grant funds will be advanced hereunder.

3. The Authority shall advance the eligible portion of the construction cost of the Project from the Grant from time to time upon receipt of a requisition evidencing the costs incurred, a resolution from the Governmental Instrumentality requesting the advance and a certificate as to the eligible costs, which requisition, resolution and certificate must be satisfactory to the Authority and the Council.

4. The Governmental Instrumentality will use the proceeds of the Grant only for the purposes specifically set forth in Exhibit B.

5. The Authority shall wire the approved requisition amount using the wiring instructions provided in Exhibit D, unless the Council and Authority are provided replacement instructions in writing.

6. The Governmental Instrumentality acknowledges that the Grant may be adjusted, from time to time, to reflect availability of other funding.

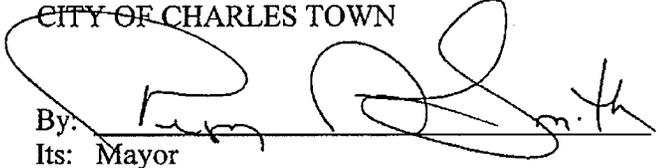
7. The Governmental Instrumentality shall list the Grant provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project.

8. This Grant Agreement shall be governed by the laws of the State of West Virginia.

9. Except as provided in Paragraph 2 above, this Grant Agreement shall terminate on the earlier of the a) the completion of the Project; or b) three years from the date of this Grant Agreement. The Governmental Instrumentality acknowledges and agrees that no funds will be advanced under this Agreement for costs of the Project after the termination date.

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

CITY OF CHARLES TOWN

By: 
Its: Mayor

Date: October 16, 2014

(SEAL)

Attest: 

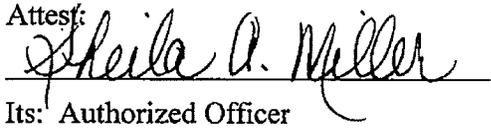
Its: Recorder

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

By: 
Its: Executive Director

Date: October 16, 2014

(SEAL)

Attest: 

Its: Authorized Officer

Exhibit A

Schedule B

Exhibit B

Project Description

The Project consists of construction upgrades to existing wastewater treatment plant to meet Chesapeake Bay standards, and all necessary appurtenances thereto.

Number of Proposed New Customers to Be Served: -0-
Location: City of Charles Town, Jefferson County, WV

Exhibit C

Record of Advances

	<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1)	\$		(19)	\$
(2)	\$		(20)	\$
(3)	\$		(21)	\$
(4)	\$		(22)	\$
(5)	\$		(23)	\$
(6)	\$		(24)	\$
(7)	\$		(25)	\$
(8)	\$		(26)	\$
(9)	\$		(27)	\$
(10)	\$		(28)	\$
(11)	\$		(29)	\$
(12)	\$		(30)	\$
(13)	\$		(31)	\$
(14)	\$		(32)	\$
(15)	\$		(33)	\$
(16)	\$		(34)	\$
(17)	\$		(35)	\$
(18)	\$		(36)	\$

TOTAL \$



Charles Town Utility Board

832 S. George Street, P.O. Box 359, Charles Town, WV 25414
Phone: (304) 725-2316 ♦ Fax: (304) 725-4313 ♦ Web: www.ctubwv.com

October 6, 2014

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

CHAIRMAN
*Dave
Mills*

Re: Grant Agreement (2011S-1304 / 2008S-1069) Exhibit D

**Exhibit D
Wiring Instructions
City of Charles Town**

UTILITY
BOARD

*Pete
Kubic*

Payor: West Virginia Infrastructure Project Fund

*Charles
Kline*

Source: _____

*Tommy
Stocks*

Amount \$ _____

*Kristen
Stolpher*

Date _____

Form: Wire Transfer

Payee: City of Charles Town

UTILITY
MANAGER
*Jane E.
Arnett*

Bank Name: United Bank

Address: 500 Virginia Street, East
Charleston, WV 25322

Contact: Kathy Smith

ABA #: 051900395

Account #: 0062261698

Account: Series 2010A and Series 2010B
Series 2011A and Series 2011B

Very truly yours,

Peggy A. Smith
Mayor, City of Charles Town



UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CHARLES TOWN
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1

\$13,147,192

KNOW ALL MEN BY THESE PRESENTS: That on this the 22nd day of July, 2011, the CITY OF CHARLES TOWN, a municipal corporation and political subdivision of the State of West Virginia in Jefferson County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of THIRTEEN MILLION ONE HUNDRED FORTY-SEVEN THOUSAND ONE HUNDRED NINETY-TWO DOLLARS (\$13,147,192), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, the principal of, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2014, to and including June 1, 2041 as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee of 0.5% (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing March 1, 2014, as set forth on Exhibit B attached hereto.

This bond shall not bear interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Issuer, the Authority and the DEP, dated July 22, 2011.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the sewerage portion of the existing combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds and related costs. The existing combined waterworks and sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on May 16, 2011, and a Supplemental

Resolution duly adopted by the Issuer on July 5, 2011 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

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

1. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987 B, DATED NOVEMBER 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$413,629 (THE "SERIES 1987 B BONDS");
2. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-1, DATED MAY 4, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$295,916 (THE "SERIES 1988 B-1 BONDS");
3. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-2, DATED MAY 20, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$558,000 (THE "SERIES 1988 B-2 BONDS");
4. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1989 B, DATED APRIL 13, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$117,480 (THE "SERIES 1989 B BONDS");
5. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1998 (WEST VIRGINIA SRF PROGRAM), DATED SEPTEMBER 29, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$437,601 (THE "SERIES 1998 BONDS");
6. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,163,781 (THE "SERIES 2000 A BONDS");
7. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,100,000 (THE "SERIES 2002 A BONDS");
8. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,600,000 (THE "SERIES 2002 B BONDS");

9. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 C (INSURED), DATED DECEMBER 1, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,135,000 (THE "SERIES 2002 C BONDS");
10. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (AMT - UNINSURED), DATED JANUARY 1, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,000,000 (THE "SERIES 2003 A BONDS");
11. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A (TAXABLE), DATED JUNE 15, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,355,000 (THE "SERIES 2005 A BONDS");
12. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 A (TAXABLE), DATED JANUARY 19, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,830,000 (THE "SERIES 2006 A BONDS");
13. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 B (TAX-EXEMPT), DATED JULY 27, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,000,000 (THE "SERIES 2006 B BONDS");
14. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2009 A (TAX-EXEMPT), DATED DECEMBER 1, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,120,000 (THE "SERIES 2009 A BONDS");
15. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$912,458 (THE "SERIES 2010 A BONDS");
16. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$100,000 (THE "SERIES 2010 B BONDS");
17. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,250,000 (THE "SERIES 2010 C BONDS");
18. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$500,000 (THE "SERIES 2010 D BONDS"); AND

19. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 B (WEST VIRGINIA SRF PROGRAM), DATED JULY 22, 2011, ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,000,000 (THE "SERIES 2011 B BONDS").

THE SERIES 1987 B BONDS, SERIES 1988 B-1 BONDS, SERIES 1988 B-2 BONDS, SERIES 1989 B BONDS, SERIES 1998 BONDS, SERIES 2000 A BONDS, SERIES 2002 A BONDS, SERIES 2002 B BONDS, SERIES 2002 C BONDS, SERIES 2003 A BONDS, SERIES 2005 A BONDS, SERIES 2006 A BONDS, SERIES 2006 B BONDS, SERIES 2010 A BONDS, SERIES 2010 B BONDS, SERIES 2010 C BONDS AND SERIES 2010 D BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenue in favor of the Holders of the Prior Bonds and the Series 2011 B Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2011 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Gross Revenues, the monies in the Series 2011 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds and the Series 2011 B Bonds; provided however, that so long as there exists in the Series 2011 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds and the Series 2011 B Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

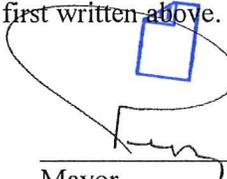
IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond,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

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

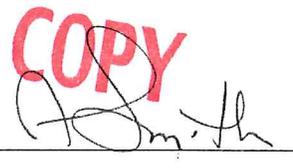
[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the CITY OF CHARLES TOWN has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Clerk, and has caused this Bond to be dated as of the day and year first written above.

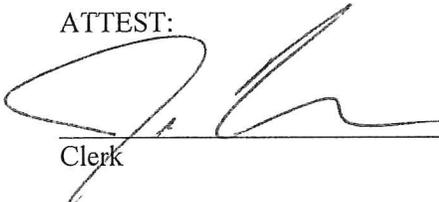
[SEAL]



Mayor



ATTEST:



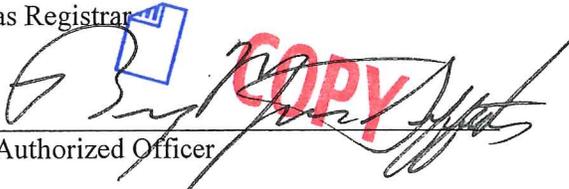
Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2011 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: July 22, 2011.

THE HUNTINGTON NATIONAL BANK,
as Registrar


Authorized Officer

COPY

EXHIBIT A
RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$657,360	07.22.11	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL \$ _____

EXHIBIT B

DEBT SERVICE SCHEDULE

NET DEBT SERVICE
City of Charles Town
CW SRF
\$13,147,192
0% Interest Rate
0.5% Administrative Fee

Debt Service
Schedule
revised & replaced
in 2014.

Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
12/1/2013						
3/1/2014	119,520		119,520	8,291.69	11,952	139,563.69
6/1/2014	119,520		119,520	8,291.69	11,952	139,563.69
9/1/2014	119,520		119,520	8,291.69	11,952	139,563.69
12/1/2014	119,520		119,520	8,291.69	11,952	139,563.69
3/1/2015	119,520		119,520	8,291.69	11,952	139,563.69
6/1/2015	119,520		119,520	8,291.69	11,952	139,563.69
9/1/2015	119,520		119,520	8,291.69	11,952	139,563.69
12/1/2015	119,520		119,520	8,291.69	11,952	139,563.69
3/1/2016	119,520		119,520	8,291.69	11,952	139,563.69
6/1/2016	119,520		119,520	8,291.69	11,952	139,563.69
9/1/2016	119,520		119,520	8,291.69	11,952	139,563.69
12/1/2016	119,520		119,520	8,291.69	11,952	139,563.69
3/1/2017	119,520		119,520	8,291.69	11,952	139,563.69
6/1/2017	119,520		119,520	8,291.69	11,952	139,563.69
9/1/2017	119,520		119,520	8,291.69	11,952	139,563.69
12/1/2017	119,520		119,520	8,291.69	11,952	139,563.69
3/1/2018	119,520		119,520	8,291.69	11,952	139,563.69
6/1/2018	119,520		119,520	8,291.69	11,952	139,563.69
9/1/2018	119,520		119,520	8,291.69	11,952	139,563.69
12/1/2018	119,520		119,520	8,291.69	11,952	139,563.69
3/1/2019	119,520		119,520	8,291.69	11,952	139,563.69
6/1/2019	119,520		119,520	8,291.69	11,952	139,563.69
9/1/2019	119,520		119,520	8,291.69	11,952	139,563.69
12/1/2019	119,520		119,520	8,291.69	11,952	139,563.69
3/1/2020	119,520		119,520	8,291.69	11,952	139,563.69
6/1/2020	119,520		119,520	8,291.69	11,952	139,563.69
9/1/2020	119,520		119,520	8,291.69	11,952	139,563.69
12/1/2020	119,520		119,520	8,291.69	11,952	139,563.69
3/1/2021	119,520		119,520	8,291.69	11,952	139,563.69
6/1/2021	119,520		119,520	8,291.69	11,952	139,563.69
9/1/2021	119,520		119,520	8,291.69	11,952	139,563.69
12/1/2021	119,520		119,520	8,291.69	11,952	139,563.69
3/1/2022	119,520		119,520	8,291.69	11,952	139,563.69
6/1/2022	119,520		119,520	8,291.69	11,952	139,563.69
9/1/2022	119,520		119,520	8,291.69	11,952	139,563.69
12/1/2022	119,520		119,520	8,291.69	11,952	139,563.69
3/1/2023	119,520		119,520	8,291.69	11,952	139,563.69
6/1/2023	119,520		119,520	8,291.69	11,952	139,563.69

NET DEBT SERVICE
City of Charles Town
SRF
\$13,147,192

Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
9/1/2023	119,520		119,520	8,291.69	11,952	139,563.69
12/1/2023	119,520		119,520	8,291.69	11,952	139,563.69
3/1/2024	119,520		119,520	8,291.69		127,811.69
6/1/2024	119,520		119,520	8,291.69		127,811.69
9/1/2024	119,520		119,520	8,291.69		127,811.69
12/1/2024	119,520		119,520	8,291.69		127,811.69
3/1/2025	119,520		119,520	8,291.69		127,811.69
6/1/2025	119,520		119,520	8,291.69		127,811.69
9/1/2025	119,520		119,520	8,291.69		127,811.69
12/1/2025	119,520		119,520	8,291.69		127,811.69
3/1/2026	119,520		119,520	8,291.69		127,811.69
6/1/2026	119,520		119,520	8,291.69		127,811.69
9/1/2026	119,520		119,520	8,291.69		127,811.69
12/1/2026	119,520		119,520	8,291.69		127,811.69
3/1/2027	119,520		119,520	8,291.69		127,811.69
6/1/2027	119,520		119,520	8,291.69		127,811.69
9/1/2027	119,520		119,520	8,291.69		127,811.69
12/1/2027	119,520		119,520	8,291.69		127,811.69
3/1/2028	119,520		119,520	8,291.69		127,811.69
6/1/2028	119,520		119,520	8,291.69		127,811.69
9/1/2028	119,520		119,520	8,291.69		127,811.69
12/1/2028	119,520		119,520	8,291.69		127,811.69
3/1/2029	119,520		119,520	8,291.69		127,811.69
6/1/2029	119,520		119,520	8,291.69		127,811.69
9/1/2029	119,520		119,520	8,291.69		127,811.69
12/1/2029	119,520		119,520	8,291.69		127,811.69
3/1/2030	119,520		119,520	8,291.69		127,811.69
6/1/2030	119,520		119,520	8,291.69		127,811.69
9/1/2030	119,520		119,520	8,291.69		127,811.69
12/1/2030	119,520		119,520	8,291.69		127,811.69
3/1/2031	119,520		119,520	8,291.69		127,811.69
6/1/2031	119,520		119,520	8,291.69		127,811.69
9/1/2031	119,520		119,520	8,291.69		127,811.69
12/1/2031	119,520		119,520	8,291.69		127,811.69
3/1/2032	119,520		119,520	8,291.69		127,811.69
6/1/2032	119,520		119,520	8,291.69		127,811.69
9/1/2032	119,520		119,520	8,291.69		127,811.69
12/1/2032	119,520		119,520	8,291.69		127,811.69
3/1/2033	119,520		119,520	8,291.69		127,811.69
6/1/2033	119,520		119,520	8,291.69		127,811.69
9/1/2033	119,520		119,520	8,291.69		127,811.69
12/1/2033	119,520		119,520	8,291.69		127,811.69

NET DEBT SERVICE
 City of Charles Town
 CW SRF
 \$13,147,192
 0% Interest Rate
 0.5% Administrative Fee

Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
3/1/2034	119,520		119,520	8,291.69		127,811.69
6/1/2034	119,520		119,520	8,291.69		127,811.69
9/1/2034	119,520		119,520	8,291.69		127,811.69
12/1/2034	119,520		119,520	8,291.69		127,811.69
3/1/2035	119,520		119,520	8,291.69		127,811.69
6/1/2035	119,520		119,520	8,291.69		127,811.69
9/1/2035	119,520		119,520	8,291.69		127,811.69
12/1/2035	119,520		119,520	8,291.69		127,811.69
3/1/2036	119,520		119,520	8,291.69		127,811.69
6/1/2036	119,520		119,520	8,291.69		127,811.69
9/1/2036	119,520		119,520	8,291.69		127,811.69
12/1/2036	119,520		119,520	8,291.69		127,811.69
3/1/2037	119,520		119,520	8,291.69		127,811.69
6/1/2037	119,520		119,520	8,291.69		127,811.69
9/1/2037	119,520		119,520	8,291.69		127,811.69
12/1/2037	119,520		119,520	8,291.69		127,811.69
3/1/2038	119,520		119,520	8,291.69		127,811.69
6/1/2038	119,520		119,520	8,291.69		127,811.69
9/1/2038	119,520		119,520	8,291.69		127,811.69
12/1/2038	119,520		119,520	8,291.69		127,811.69
3/1/2039	119,520		119,520	8,291.69		127,811.69
6/1/2039	119,519		119,519	8,291.69		127,810.69
9/1/2039	119,519		119,519	8,291.69		127,810.69
12/1/2039	119,519		119,519	8,291.69		127,810.69
3/1/2040	119,519		119,519	8,291.69		127,810.69
6/1/2040	119,519		119,519	8,291.69		127,810.69
9/1/2040	119,519		119,519	8,291.69		127,810.69
12/1/2040	119,519		119,519	8,291.69		127,810.69
3/1/2041	119,519		119,519	8,291.69		127,810.69
6/1/2041	119,520		119,520	8,291.69		127,811.69
	13,147,192		13,147,192	912,085.90	478,080	14,529,357.90

(Form of)

ASSIGNMENT

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

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

Dated: _____, 20____.

In the presence of:

TO: Chris Jarrett, WDA
Shelia Miller, WDA
Sara Rogers, MBC

FROM: Kathy Emery, DEP

RE: City of Charles Town, West Virginia, Water and Sewer Revenue Bonds,
Series 2011 A, Series 2011 B and Series 2012 A

The West Virginia Water Development Authority holds the above referenced bonds ("Bonds") on behalf of the West Virginia Clean Water Revolving Loan Fund ("CWSRF"). The Bonds were issued to provide funds to pay a portion of the eligible costs certified pursuant to SB 245 and Chapter 31, 15A, 17b. Please apply the grant funds received for Charles Town as follows:

1. Pay in full the Series 2011 B outstanding balance of \$2,000,000.
2. Pay in full the Series 2012 A outstanding balance of \$1,477,000.
3. Use the remaining balance to prepay a portion of the Series 2011 A Bonds. Please request an amortization schedule reamortizing the remaining \$6,634,880.94 balance over the remaining life of the loan (December 1, 2014-June 1, 2041).

Please transfer the grant funds to the West Virginia Municipal Bond Commission on or before November 20, 2014, to be applied on the regular quarterly payment date of December 1, 2014. Please request a revised debt service schedule for the Series 2011 A Bonds reflecting the reduced principal amount but maintaining the current amortization term.

Please advise if you have any questions.

IC-CB/GR
(09/14)

GRANT AGREEMENT
(2011S-1304/2008S-1069)

This Grant Agreement (the "Grant Agreement" or "Agreement") entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), at the direction of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council"), and the CITY OF CHARLES TOWN (the "Governmental Instrumentality").

RECITALS

WHEREAS, pursuant to Chapter 31, Article 15A, Section 17b (the "Act") of the Code of West Virginia, 1931, as amended, the Authority, at the direction of the Council may make grants for the design and construction of watershed compliance projects from the West Virginia Infrastructure Lottery Revenue Debt Service Fund to the extent monies in the fund are not required to pay debt service and from the proceeds of infrastructure lottery revenue bonds;

WHEREAS, simultaneously with the execution of this Grant Agreement, the Authority will issue its Infrastructure Excess Lottery Revenue Bonds, 2014 Series A (the "Bonds");

WHEREAS, the Governmental Instrumentality has a watershed compliance project that has been determined to be an eligible project pursuant to the Act;

WHEREAS, the Council has authorized the Authority to make a grant from proceeds of the Bonds to the Governmental Instrumentality in the amount not to exceed \$10,903,213.21, which includes the \$1,399,021 awarded under the Grant Agreement dated June 18, 2014 (the "Construction Grant"), between the Authority and the Governmental Instrumentality (the "Grant") for the purposes of constructing of the eligible portion of the project as more specifically set forth in the Schedule B attached hereto and incorporated herein as Exhibit A;

WHEREAS, the Governmental Instrumentality wishes to accept the Grant upon such terms and conditions as are hereinafter set forth for the purposes of constructing the eligible portion of the project described in Exhibit B attached hereto and incorporated herein by reference (the "Project");

WHEREAS, this Grant Agreement sets forth the Council, the Authority and the Governmental Instrumentality's understandings and agreements with regard to the Grant.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Authority and the Governmental Instrumentality hereby agree as follows:

T E R M S

1. A. Prior to the distribution of any of the Grant funds, the Governmental Instrumentality shall provide the Council and the Authority with construction budget and an anticipated monthly draw schedule. The Project budget shall not be amended unless the Governmental Instrumentality has received the prior written consent of the Council. Total construction costs for the Project are \$25,311,750 and the portion eligible for the Grant is \$21,537,600. Taking into account the amounts previously drawn under the Construction Grant, the Governmental Instrumentality shall not draw more than \$9,504,192.21. A record of advances of the draws on the Grant is set forth as Exhibit C.

B. The Governmental Instrumentality shall continue to draw on the \$1,399,021 for construction of the Project. The Governmental Instrumentality agrees and acknowledges that the Authority will deposit \$9,504,192.21 with the West Virginia Municipal Bond Commission for the partial payment of the Governmental Instrumentality's Water and Sewer Revenue Bonds, Series 2011 A, Series 2011 B and Series 2012 A.

2. The Governmental Instrumentality agrees that it has either (1) entered into binding contracts and issued a notice to proceed for the Project, or (2) that it will enter into binding contracts and issue a notice to proceed within twenty four months of the date of this agreement. If the Governmental Instrumentality has not entered into binding contracts and issued the notice to proceed by such date, it acknowledges and agrees that this Grant Agreement will be terminated and no further grant funds will be advanced hereunder.

3. The Authority shall advance the eligible portion of the construction cost of the Project from the Grant from time to time upon receipt of a requisition evidencing the costs incurred, a resolution from the Governmental Instrumentality requesting the advance and a certificate as to the eligible costs, which requisition, resolution and certificate must be satisfactory to the Authority and the Council.

4. The Governmental Instrumentality will use the proceeds of the Grant only for the purposes specifically set forth in Exhibit B.

5. The Authority shall wire the approved requisition amount using the wiring instructions provided in Exhibit D, unless the Council and Authority are provided replacement instructions in writing.

6. The Governmental Instrumentality acknowledges that the Grant may be adjusted, from time to time, to reflect availability of other funding.

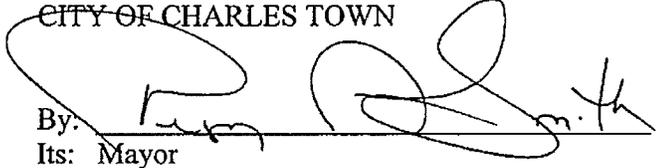
7. The Governmental Instrumentality shall list the Grant provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project.

8. This Grant Agreement shall be governed by the laws of the State of West Virginia.

9. Except as provided in Paragraph 2 above, this Grant Agreement shall terminate on the earlier of the a) the completion of the Project; or b) three years from the date of this Grant Agreement. The Governmental Instrumentality acknowledges and agrees that no funds will be advanced under this Agreement for costs of the Project after the termination date.

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

CITY OF CHARLES TOWN

By: 
Its: Mayor

Date: October 16, 2014

(SEAL)

Attest: 

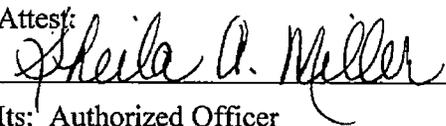
Its: Recorder

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

By: 
Its: Executive Director

Date: October 16, 2014

(SEAL)

Attest: 

Its: Authorized Officer

Exhibit A

Schedule B

Exhibit B

Project Description

The Project consists of construction upgrades to existing wastewater treatment plant to meet Chesapeake Bay standards, and all necessary appurtenances thereto.

Number of Proposed New Customers to Be Served: -0-
Location: City of Charles Town, Jefferson County, WV

Exhibit C

Record of Advances

	<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1)	\$		(19)	\$
(2)	\$		(20)	\$
(3)	\$		(21)	\$
(4)	\$		(22)	\$
(5)	\$		(23)	\$
(6)	\$		(24)	\$
(7)	\$		(25)	\$
(8)	\$		(26)	\$
(9)	\$		(27)	\$
(10)	\$		(28)	\$
(11)	\$		(29)	\$
(12)	\$		(30)	\$
(13)	\$		(31)	\$
(14)	\$		(32)	\$
(15)	\$		(33)	\$
(16)	\$		(34)	\$
(17)	\$		(35)	\$
(18)	\$		(36)	\$

TOTAL \$



Charles Town Utility Board

832 S. George Street, P.O. Box 359, Charles Town, WV 25414
Phone: (304) 725-2316 ♦ Fax: (304) 725-4313 ♦ Web: www.ctubwv.com

October 6, 2014

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

CHAIRMAN
*Date
Mills*

Re: Grant Agreement (2011S-1304 / 2008S-1069) Exhibit D

UTILITY
BOARD

**Exhibit D
Wiring Instructions
City of Charles Town**

*Pete
Kubic*

Payor: West Virginia Infrastructure Project Fund

*Charles
Kline*

Source: _____

*Tommy
Stocks*

Amount \$ _____

*Kristen
Stolpher*

Date _____

Form: Wire Transfer

Payee: City of Charles Town

UTILITY
MANAGER
*Jane E.
Arnett*

Bank Name: United Bank
Address: 500 Virginia Street, East
Charleston, WV 25322

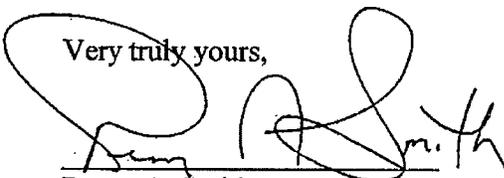
Contact: Kathy Smith

ABA #: 051900395

Account #: 0062261698

Account: Series 2010A and Series 2010B
Series 2011A and Series 2011B

Very truly yours,


Peggy A. Smith

Mayor, City of Charles Town

CANCELLED
PAID IN FULL
DATE: 11/20/14
BY : JM

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CHARLES TOWN
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 B
(WEST VIRGINIA SRF PROGRAM)

No. BR-1

\$2,000,000

KNOW ALL MEN BY THESE PRESENTS: That on this the 22nd day of July, 2011, the CITY OF CHARLES TOWN, a municipal corporation and political subdivision of the State of West Virginia in Jefferson County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of TWO MILLION DOLLARS (\$2,000,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, the principal of, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2018, to and including December 1, 2031 as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee of 0.5% (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing March 1, 2018, as set forth on Exhibit B attached hereto.

This bond shall not bear interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Issuer, the Authority and the DEP, dated July 22, 2011.

PAID IN FULL



COPY

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CHARLES TOWN
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 B
(WEST VIRGINIA SRF PROGRAM)

No. BR-1

\$2,000,000

KNOW ALL MEN BY THESE PRESENTS: That on this the 22nd day of July, 2011, the CITY OF CHARLES TOWN, a municipal corporation and political subdivision of the State of West Virginia in Jefferson County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of TWO MILLION DOLLARS (\$2,000,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, the principal of, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2018, to and including December 1, 2031 as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee of 0.5% (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing March 1, 2018, as set forth on Exhibit B attached hereto.

This bond shall not bear interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Issuer, the Authority and the DEP, dated July 22, 2011.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the sewerage portion of the existing combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds and related costs. The existing public waterworks system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on May 16, 2011, and a Supplemental Resolution duly adopted by the Issuer on July 5, 2011 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

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

1. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987 B, DATED NOVEMBER 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$413,629 (THE "SERIES 1987 B BONDS");
2. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-1, DATED MAY 4, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$295,916 (THE "SERIES 1988 B-1 BONDS");
3. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-2, DATED MAY 20, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$558,000 (THE "SERIES 1988 B-2 BONDS");
4. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1989 B, DATED APRIL 13, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$117,480 (THE "SERIES 1989 B BONDS");
5. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1998 (WEST VIRGINIA SRF PROGRAM), DATED SEPTEMBER 29, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$437,601 (THE "SERIES 1998 BONDS");
6. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,163,781 (THE "SERIES 2000 A BONDS");
7. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED

- AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,100,000 (THE "SERIES 2002 A BONDS");
8. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 22, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,600,000 (THE "SERIES 2002 B BONDS");
 9. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 C (INSURED), DATED DECEMBER 1, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,135,000 (THE "SERIES 2002 C BONDS");
 10. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (AMT - UNINSURED), DATED JANUARY 1, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,000,000 (THE "SERIES 2003 A BONDS");
 11. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005 A (TAXABLE), DATED JUNE 15, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,355,000 (THE "SERIES 2005 A BONDS");
 12. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 A (TAXABLE), DATED JANUARY 19, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,830,000 (THE "SERIES 2006 A BONDS");
 13. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2006 B (TAX-EXEMPT), DATED JULY 27, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,000,000 (THE "SERIES 2006 B BONDS");
 14. COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2009 A (TAX-EXEMPT), DATED DECEMBER 1, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,120,000 (THE "SERIES 2009 A BONDS");
 15. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$912,458 (THE "SERIES 2010 A BONDS");
 16. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA DWTRF PROGRAM/ARRA), DATED JANUARY 13, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$100,000 (THE "SERIES 2010 B BONDS");

17. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,250,000 (THE "SERIES 2010 C BONDS");
18. COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 2, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$500,000 (THE "SERIES 2010 D BONDS"); AND
19. COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM), DATED JULY 22, 2011, ISSUED SIMULTANEOUSLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$13,147,192 (THE "SERIES 2011 A BONDS").

THE SERIES 1987 B BONDS, SERIES 1988 B-1 BONDS, SERIES 1988 B-2 BONDS, SERIES 1989 B BONDS, SERIES 1998 BONDS, SERIES 2000 A BONDS, SERIES 2002 A BONDS, SERIES 2002 B BONDS, SERIES 2002 C BONDS, SERIES 2003 A BONDS, SERIES 2005 A BONDS, SERIES 2006 A BONDS, SERIES 2006 B BONDS, SERIES 2009 A BONDS, SERIES 2010 A BONDS, SERIES 2010 B BONDS, SERIES 2010 C BONDS AND SERIES 2010 D BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenue in favor of the Holders of the Prior Bonds and the Series 2011 A Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2011 B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Gross Revenues, the monies in the Series 2011 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds and the Series 2011 A Bonds; provided however, that so long as there exists in the Series 2011 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds and the Series 2011 A Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are

exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

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

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

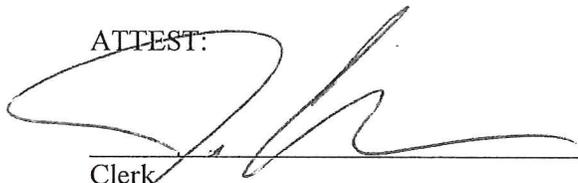
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IN WITNESS WHEREOF, the CITY OF CHARLES TOWN has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Clerk, and has caused this Bond to be dated as of the day and year first written above.

[SEAL]


Henry Smith
Mayor

ATTEST:


Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2011 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: July 22, 2011.

THE HUNTINGTON NATIONAL BANK,
as Registrar


Authorized Officer

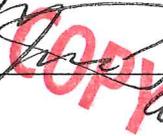


EXHIBIT A
RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$100,000	07.22.11	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL \$ _____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

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

Dated: _____, 20__.

In the presence of:

July 22, 2011

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

City of Charles Town
Charles Town, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the City of Charles Town (the "Issuer"), a municipal corporation and political subdivision created and existing under the laws of the State of West Virginia, of its \$13,147,192 Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a Bond Purchase Agreement dated July 22, 2011, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Bond Purchase Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal to the Authority, bearing no interest, payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2014 to and including June 1, 2041, all as set forth in the "Schedule Y" attached to the Bond Purchase Agreement and incorporated in and made a part of the Bonds. The Series 2011 A Bonds are subject to the SRF Administrative Fee equal to 1/2% of the principal amount of the Series 2011 A Bonds as set forth in the Schedule Y attached to the Bond Purchase Agreement.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer; and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act and the Bond Ordinance duly enacted by the Issuer on May 16, 2011, as supplemented by a Supplemental Resolution duly adopted by the Issuer on July 5, 2011 (collectively, the “Bond Legislation”), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Bond Purchase Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Bond Purchase Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Bond Purchase Agreement when used herein.

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

1. The Issuer is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt the Bond Legislation and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

2. The Bond Purchase Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and the DEP and cannot be amended by the Issuer so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Issuer without the written consent of the Authority and the DEP.

3. The Bond Legislation and all other necessary ordinances, orders and resolutions have been duly and effectively enacted and adopted by the Issuer in connection with the issuance and sale of the Bonds and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Bond Purchase Agreement.

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Gross Revenues of the System and secured by a first lien on and pledge of the Gross Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer’s: (i) Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of \$413,629 (“Series 1987 B Bonds”); (ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of \$295,916 (“Series 1988 B-1 Bonds”); (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of \$558,000 (“Series 1988 B-2 Bonds”); (iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of \$117,480 (“Series 1989 B Bonds”); (v) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of \$437,601 (“Series 1998 Bonds”); (vi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program),

dated June 22, 2000, issued in the original aggregate principal amount of \$3,163,781 (“Series 2000 A Bonds”); (vii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of \$1,100,000 (“Series 2002 A Bonds”); (viii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of \$3,600,000 (“Series 2002 B Bonds”); (ix) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 C (Insured), dated December 1, 2002, issued in the original aggregate principal amount of \$4,135,000 (“Series 2002 C Bonds”); (x) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (AMT - Uninsured), dated January 1, 2003, issued in the original aggregate principal amount of \$1,000,000 (“Series 2003 A Bonds”); (xi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A (Taxable), dated June 15, 2005, issued in the original aggregate principal amount of \$2,355,000 (“Series 2005 A Bonds”); (xii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 A (Taxable), dated January 19, 2006, issued in the original aggregate principal amount of \$1,830,000 (“Series 2006 A Bonds”); (xiii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 B (Tax-Exempt), dated July 27, 2006, issued in the original aggregate principal amount of \$2,000,000 (“Series 2006 B Bonds”); (xiv) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2009 A (Tax-Exempt), dated December 1, 2009, issued in the original aggregate principal amount of \$7,120,000 (“Series 2009 A Bonds”); (xv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010 in the original aggregate principal amount of \$912,458 (“Series 2010 A Bonds”); (xvi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA) dated January 13, 2010 in the original aggregate principal amount of \$100,000 (“Series 2010 B Bonds”); (xvii) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program) dated December 2, 2010 in the original aggregate principal amount of \$1,250,000 (“Series 2010 C Bonds”); (xviii) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program) dated December 2, 2010 issued in the original aggregate principal amount of \$500,000 (“Series 2010 D Bonds”); and Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B (West Virginia SRF Program) dated July 22, 2011 issued simultaneously herewith in the original aggregate principal amount of \$2,000,000 (“Series 2011 B Bonds”).

5. The Bonds are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality or county commission, political subdivision or agency thereof, and the interest, if any, on the Bonds is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

6. The Bonds have not been issued on the basis that the interest thereon, if any, is or will be excluded from the gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Bonds.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Bond Purchase Agreement and the Bond Legislation, and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter

enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion and the application of equitable remedies in appropriate cases.

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

Very truly yours,


STEPTOE & JOHNSON PLLC



Chase Tower, Eighth Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.stepToe-johnson.com

Writer's Contact Information

July 22, 2011

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B
(West Virginia SRF Program)

City of Charles Town
Charles Town, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the City of Charles Town (the "Issuer"), a municipal corporation and political subdivision created and existing under the laws of the State of West Virginia, of its \$2,000,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B (West Virginia SRF Program), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a Bond Purchase Agreement dated July 22, 2011, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Bond Purchase Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal to the Authority, bearing no interest, payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2018 to and including December 1, 2031, all as set forth in the "Schedule Y" attached to the Bond Purchase Agreement and incorporated in and made a part of the Bonds. The Series 2011 B Bonds are subject to the SRF Administrative Fee equal to 1/2% of the principal amount of the Series 2011 B Bonds as set forth in the Schedule Y attached to the Bond Purchase Agreement.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer; and (ii) paying certain costs of issuance and related costs.

9b

We have also examined the applicable provisions of the Act and the Bond Ordinance duly enacted by the Issuer on May 16, 2011, as supplemented by a Supplemental Resolution duly adopted by the Issuer on July 5, 2011 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Bond Purchase Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Bond Purchase Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Bond Purchase Agreement when used herein.

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

1. The Issuer is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt the Bond Legislation and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

2. The Bond Purchase Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and the DEP and cannot be amended by the Issuer so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Issuer without the written consent of the Authority and the DEP.

3. The Bond Legislation and all other necessary ordinances, orders and resolutions have been duly and effectively enacted and adopted by the Issuer in connection with the issuance and sale of the Bonds and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Bond Purchase Agreement.

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Gross Revenues of the System and secured by a first lien on and pledge of the Gross Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's: (i) Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of \$413,629 ("Series 1987 B Bonds"); (ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of \$295,916 ("Series 1988 B-1 Bonds"); (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of \$558,000 ("Series 1988 B-2 Bonds"); (iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of \$117,480 ("Series 1989 B Bonds"); (v) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of \$437,601 ("Series 1998 Bonds"); (vi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program),

dated June 22, 2000, issued in the original aggregate principal amount of \$3,163,781 (“Series 2000 A Bonds”); (vii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of \$1,100,000 (“Series 2002 A Bonds”); (viii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of \$3,600,000 (“Series 2002 B Bonds”); (ix) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 C (Insured), dated December 1, 2002, issued in the original aggregate principal amount of \$4,135,000 (“Series 2002 C Bonds”); (x) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (AMT - Uninsured), dated January 1, 2003, issued in the original aggregate principal amount of \$1,000,000 (“Series 2003 A Bonds”); (xi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A (Taxable), dated June 15, 2005, issued in the original aggregate principal amount of \$2,355,000 (“Series 2005 A Bonds”); (xii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 A (Taxable), dated January 19, 2006, issued in the original aggregate principal amount of \$1,830,000 (“Series 2006 A Bonds”); (xiii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 B (Tax-Exempt), dated July 27, 2006, issued in the original aggregate principal amount of \$2,000,000 (“Series 2006 B Bonds”); (xiv) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2009 A (Tax-Exempt), dated December 1, 2009, issued in the original aggregate principal amount of \$7,120,000 (“Series 2009 A Bonds”); (xv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010 in the original aggregate principal amount of \$912,458 (“Series 2010 A Bonds”); (xvi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA) dated January 13, 2010 in the original aggregate principal amount of \$100,000 (“Series 2010 B Bonds”); (xvii) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program) dated December 2, 2010 in the original aggregate principal amount of \$1,250,000 (“Series 2010 C Bonds”); (xviii) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program) dated December 2, 2010 issued in the original aggregate principal amount of \$500,000 (“Series 2010 D Bonds”); and Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program) dated July 22, 2011 issued simultaneously herewith in the original aggregate principal amount of \$13,147,192 (“Series 2011 A Bonds”).

5. The Bonds are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality or county commission, political subdivision or agency thereof, and the interest, if any, on the Bonds is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

6. The Bonds have not been issued on the basis that the interest thereon, if any, is or will be excluded from the gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Bonds.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Bond Purchase Agreement and the Bond Legislation, and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter

enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion and the application of equitable remedies in appropriate cases.

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

Very truly yours,



STEPTOE & JOHNSON PLLC

Law Offices of Hoy Shingleton, L.C.
115 Aikens Center Suite 24
Martinsburg, West Virginia 25404

(304) 262-4773 Telephone
(304) 262-4775 Facsimile

shinglet@comcast.net

July 22, 2011

City of Charles Town
Combined Waterworks and Sewerage System Bonds, Series 2011 A; and
Combined Waterworks and Sewerage System Bonds, Series 2011 B
(West Virginia SRF Program)

City of Charles Town
Charles Town, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to the City of Charles Town, in Jefferson County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinions of Steptoe & Johnson PLLC, as bond counsel, a Bond Purchase Agreement dated July 22, 2011, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), the Bond Ordinance duly enacted by the Issuer on May 16, 2011, as supplemented by the Supplemental Resolution duly adopted by the Issuer on July 5, 2011 (collectively, the "Bond Legislation"), and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). Capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Bond Purchase Agreement when used herein.

I am of the opinion that:

1. The Issuer has been duly created and is validly existing as a municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System and to enact the Bond Legislation, all under the Act and other applicable provisions of law, and the Mayor, Clerk and members of the council of the Issuer have been duly and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act on behalf of the Issuer in their respective capacities.

2. The Bond Legislation has been duly adopted and enacted by the Issuer and is in full force and effect.

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

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

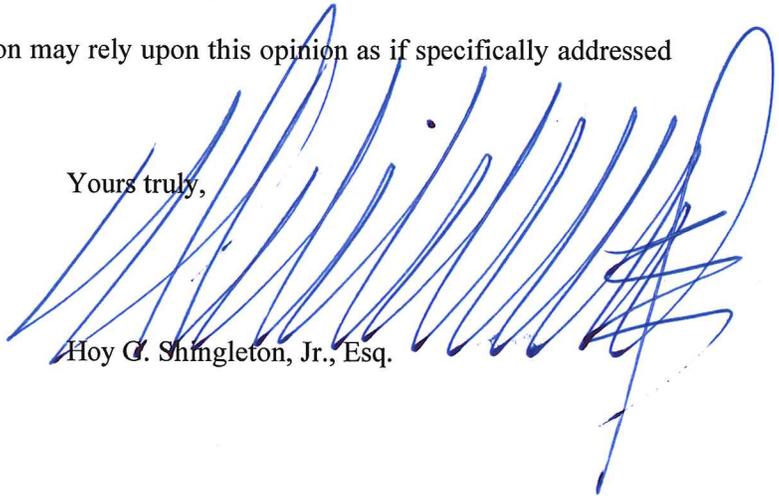
5. To the best of my knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bonds,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

6. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders and approvals from the DEP and the Public Service Commission of West Virginia (the "PSC") and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of a sewer ordinance prescribing such sewer rates and charges dated April 15, 2008 and sewer rate ordinances prescribing such sewer rates and charges dated August 17, 2009 and December 7, 2009 as amended by Recommended Decision dated June 18, 2010 which became a Final Order on July 8, 2010 in Case No. 10-0070-S-MA and Case No. 09-1562-S-MA of the Public Service Commission of West Virginia (the "PSC"). The Issuer has received the Recommended Decision of the PSC dated June 18, 2010 which became a Final Order on July 8, 2010 in Case No. 09-1980-S-CN, which, among other things, approved a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Order has expired prior to the date hereof without any appeal and the Order remains in full force and effect

7. I have ascertained that all successful bidders have provided the drug-free workplace affidavit, submitted their drug free workplace plan, and the contracts contain language that complies with the Drug Free Workplace Act, Article 1D, Chapter 21 of the West Virginia Code. I have also ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds will be verified for accuracy and the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, and I ensure that such surety bonds and policies (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Bond Legislation and the Bond Purchase Agreement; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Yours truly,

A large, stylized handwritten signature in blue ink, consisting of many overlapping loops and flourishes, covering the signature line and extending upwards and to the right.

Hoy C. Singleton, Jr., Esq.

Law Offices of Hoy Shingleton, L.C.

115 Aikens Center Suite 24
Martinsburg, West Virginia 25404

304-262-4773 Telephone
304-262-4775 Fax

shinglet@comcast.net

July 22, 2011

City of Charles Town, By and Through
The Charles Town Utility Board
PO Box 359
Charles Town, WV 25414

West Virginia Department of Environmental Protection
601-57th Street
Charleston, WV 25304

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

Steptoe & Johnson PLLC
Attention: Attorney John C. Stump
707 Virginia Street East Eight Floor
Charleston, WV 25301

Re: Final Title Opinion for City of Charles Town

Ladies and Gentlemen:

We are counsel to the City of Charles Town (the "Issuer") in connection with the Tuscawilla Waste Water Treatment Plant Expansion Project to make improvements to and expand the capacity of the existing Tuscawilla Waste Water Plant (the "Project"). Please be advised of the following:

1. We are of the opinion that the Issuer is a duly created and validly existing municipality possessed with all the powers and authority granted to municipalities under the laws of the State of West Virginia to construct, operate and maintain the Project as approved by the DEP.

2. The Issuer has obtained all necessary permits and approvals for the construction of the Project. This Project was approved for construction by the Public Service Commission of West Virginia by an Order entered in Case Number 09-1980-S-CN. The Order became final on July 8, 2010.

3. We have investigated and ascertained the location of, and are familiar with the legal description of the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by Black & Veatch Corporation, the consulting engineers for the Project.

4. We have examined the records on file in the Office of the Clerk of the County Commission of Jefferson County, West Virginia, the county in which the Project is to be located, and, in our opinion, the Issuer has acquired legal title or such other estate or interest in all of the necessary site components for the Project, including all easements and/or rights of way sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the Project.

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

Very truly yours,

Law Offices of Hoy Shingleton, L.C.

By:

Hoy G. Shingleton, Jr.

HGS/lmw

CITY OF CHARLES TOWN

Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A; and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B
(West Virginia SRF Program)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

We, the undersigned MAYOR and CLERK of the City of Charles Town in Jefferson County, West Virginia (the "Issuer"), and the undersigned COUNSEL to the Issuer, hereby certify, on this the 22nd day of July, 2011, in connection with the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), issued in the original aggregate principal amount of \$13,147,192 (the "Series 2011 A Bonds"), and Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B (West Virginia SRF Program), issued in the original aggregate principal amount of \$2,000,000 (the "Series 2011 B Bonds"), (collectively, the "Series 2011 Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Ordinance of the Issuer duly enacted May 16, 2011, and the Supplemental Resolution duly adopted July 5, 2011 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the Project, the operation of the System, the receipt of the Gross Revenues, or in any way contesting or

affecting the validity of the Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Gross Revenues or any other monies or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the Project, the operation of the System, the collection of the Gross Revenues or the pledge of Gross Revenues as security for the Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the Project, the operation of the System, the imposition of rates and charges, and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval, execution and delivery by the Issuer of the Bond Purchase Agreement, and the Issuer has met all conditions prescribed in the Bond Purchase Agreement. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2011 Bonds as to liens, pledge, source of and security for payment, being the Issuer's: (i) Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of \$413,629 (the "Series 1987 B Bonds"); (ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of \$295,916 (the "Series 1988 B-1 Bonds"); (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of \$558,000 (the "Series 1988 B-2 Bonds"); (iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of \$117,480 (the "Series 1989 B Bonds"); (v) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of \$437,601 (the "Series 1998 Bonds"); (vi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of \$3,163,781 (the "Series 2000 A Bonds"); (vii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of \$1,100,000 (the "Series 2002 A Bonds"); (viii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of \$3,600,000 (the "Series 2002 B Bonds"); (ix) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 C (Insured), dated December 1, 2002, issued in the original aggregate principal amount of \$4,135,000 (the "Series 2002 C Bonds"); (x) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (AMT - Uninsured), dated January 1, 2003, issued in the original aggregate principal amount of \$1,000,000 (the "Series 2003 A Bonds"); (xi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A (Taxable), dated June 15, 2005, issued in the original aggregate principal amount of \$2,355,000 (the "Series 2005 A Bonds"); (xii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 A (Taxable), dated January 19, 2006, issued in the original aggregate principal amount of \$1,830,000 (the "Series 2006 A Bonds"); (xiii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 B (Tax-Exempt), dated July 27, 2006, issued in the original aggregate principal amount of \$2,000,000 (the "Series 2006 B Bonds"); (xiv) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2009 A (Tax-Exempt), dated December 1, 2009, issued in the original aggregate

principal amount of \$7,120,000 (the "Series 2009 A Bonds"); (xv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010, issued in the original aggregate principal amount of \$912,458 (the "Series 2010 A Bonds"); (xvi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA), dated January 13, 2010, issued in the original aggregate principal amount of \$100,000 (the "Series 2010 B Bonds"); (xvii) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program) dated December 2, 2010 in the original aggregate principal amount of \$1,250,000 ("Series 2010 C Bonds"); and (xviii) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program) dated December 2, 2010 issued in the original aggregate principal amount of \$500,000 ("Series 2010 D Bonds"), (collectively referred to as the "Prior Bonds").

The Series 2011 Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2011 Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Registered Owners of the Prior Bonds to the issuance of the Series 2011 Bonds on a parity with such Prior Bonds if required by the Prior Ordinances. The Series 2002 C Bonds, Series 2003 A Bonds, Series 2005 A Bonds, Series 2006 A Bonds, Series 2006 B Bonds and Series 2009 A Bonds do not require consent. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

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

Bond Ordinance

Supplemental Resolution

Bond Purchase Agreement

Public Service Commission Order

Infrastructure and Jobs Development Council Approval

Charter and Rules of Procedure

Oaths of Office of Officers and Council Members

Water Rate Ordinance

Sewer Rate Ordinance

Minutes on Adoption and Enactment of Rate Ordinances

Affidavits of Publication of Rate Ordinances and Notice of Public Hearing

Minutes on Adoption and Enactment of Bond Legislation

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

Prior Bond Ordinances

WDA Consent to Issuance of Parity Bonds

Evidence of Insurance

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "City of Charles Town." The Issuer is a municipal corporation in Jefferson County and is presently existing under the laws of, and a political subdivision of, the State of West Virginia. The governing body of the Issuer is its council, consisting of a Mayor and 8 council members, all duly elected or appointed, as applicable, qualified and acting, and whose names and dates of commencement and termination of current terms of office are as follows:

Name	Date of Commencement of Office	Date of Termination of Office
Michael Slover, Councilmember	June 2011	June 2015
Chester A Hines, Councilmember	June 2009	June 2013
Ann Paonessa, Councilmember	June 2011	June 2015
Richard J. Bringewatt, Councilmember	June 2009	June 2013
Donald W. Clendening, Councilmember	June 2009	June 2013
Sandra Slusher McDonald, Councilmember	June 2009	June 2013
Mark Reinhart, Councilmember	June 2011	June 2015
Wayne Clark, Councilmember	June 2011	June 2015
Peggy A. Smith, Mayor	June 2009	June 2013

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

Joseph Cosentini	Chairman and Member
Charles W. Kline	Member
Pete Kubic, PE	Member
Kristen Ringstaff	Member
Thomas W. Stocks	Member

The duly appointed and acting City Manager and Clerk of the Issuer is Joseph Cosentini. The duly appointed and acting Counsel to the Issuer is Hoy G. Shingleton, Jr., Esquire.

7. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the operation and maintenance of the System have been acquired and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes.

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

9. BOND PURCHASE AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Bond Purchase Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Bond Purchase Agreement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Bond Purchase Agreement which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information in the Bond Purchase Agreement not misleading; and (iv) the Issuer is in compliance with the Bond Purchase Agreement.

10. INSURANCE. The Issuer will maintain or, as appropriate, will require all contractors to maintain worker's compensation, public liability, property damage insurance, standard hazard insurance, builder's risk insurance, flood insurance and business interruption insurance, where applicable, in accordance with the Ordinance and the Bond Purchase Agreement. All insurance for the System required by the Ordinance and the Bond Purchase Agreement are in full force and effect.

11. VERIFICATION OF SCHEULE: The final Schedule B attached to the Certificate of Consulting Engineer, accurately represents the estimated costs of the Project, the sources of funds available to pay the costs of the Project and the costs of financing of the Bonds.

12. RATES: The Issuer has duly enacted a water rate ordinance setting rates and charges for the services of the System on April 15, 2008 and sewer rate ordinances setting sewer rates and charges for the System on August 17, 2009 and December 7, 2009 as amended by Recommended Decision dated June 18, 2010 which became a Final Order on July 8, 2010 in Case No. 10-0070-S-MA and Case No. 09-1562-S-MA of the Public Service Commission of West Virginia.

13. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Recommended Decision dated June 18, 2010 which became a Final Order on July 8, 2010 in Case No. 09-1980-S-CN of the Public Service Commission of West Virginia which, among other things, approved a certificate of convenience and necessity for the Project and approved the financing for the Project. The time for appeal of the Order has expired. Such Order is in full force and effect.

14. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor did officially sign all of the Bonds of the aforesaid issue, consisting upon original issuance of a single Bond, dated the date hereof, by their manual signatures, and the undersigned Clerk did officially cause the official seal of the Issuer to be affixed upon said Bonds and to be attested by his or her manual signature, and the Registrar did officially authenticate and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the Bond Purchase Agreement. Said official seal of the Issuer is also impressed above the signatures appearing on this certificate.

15. BOND PROCEEDS: A. On the date hereof, the Issuer received \$657,360 from the Authority and the DEP, being a portion of the principal amount of the Series 2011 A Bonds. The balance of the principal amount of the Series 2011 A Bonds will be advanced to the Issuer as the Project progresses.

B. On the date hereof, the Issuer received \$100,000 from the Authority and the DEP, being a portion of the principal amount of the Series 2011 B Bonds. The balance of the principal amount of the Series 2011 B Bonds will be advanced to the Issuer as the Project progresses.

16. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in *The Spirit of Jefferson Advocate*, a qualified newspaper published and of general circulation in the City of Charles Town, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Bond Ordinance, stating that any person interested may appear before the Governing Body at the public hearing held at a public meeting of Governing Body on the 16th day of May, 2011, at 7:00 p.m., at the City Hall in Charles Town, West Virginia, and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the Clerk of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

17. SPECIMEN BONDS: Delivered concurrently herewith are true and accurate specimens of the Series 2011 Bonds.

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

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

20. CLEAN WATER ACT: The Project described in the Bond Legislation complies with the Clean Water Act.

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

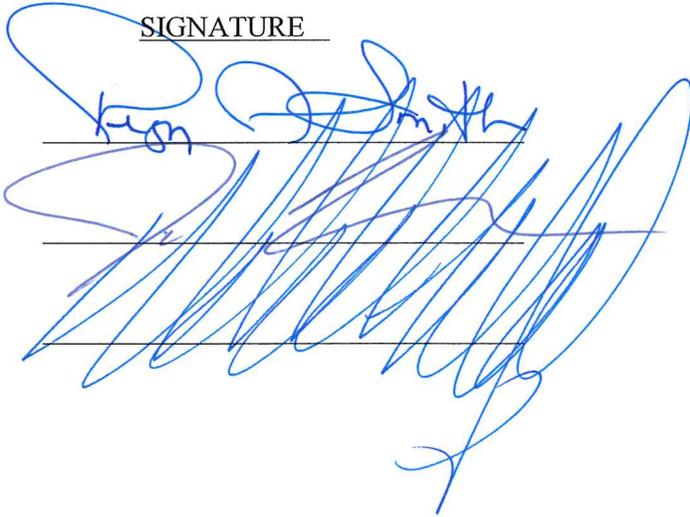
[Remainder of Page Intentionally Blank]

WITNESS our signatures and the official seal of the CITY OF CHARLES TOWN on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE



Three horizontal lines are present. The top line has a signature that appears to be 'Ken Smith'. The middle and bottom lines have very scribbled and illegible signatures.

Mayor

Clerk

Counsel to the Issuer

144220.00016

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A; and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B
(West Virginia SRF Program)

CERTIFICATE OF ENGINEER

I, Peter J. H. Thomson, Registered Professional Engineer, West Virginia License No. 13863 of Black & Veatch Corporation, Gaithersburg, Maryland, hereby certify this 22nd day of July, 2011 as follows:

1. My firm is engineer for the acquisition and construction of certain additions, betterments and improvements (the "Project") to the sewerage portion of the combined public waterworks and sewerage system (the "System") of the City of Charles Town (the "Issuer"), to be constructed in Jefferson County, West Virginia, which acquisition and construction are being financed by the proceeds of the above-captioned bonds (the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Ordinance enacted by the Issuer on May 16, 2011, as supplemented by the Supplemental Resolution adopted by the Issuer on July 5, 2011, and the Bond Purchase Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), dated July 22, 2011 (the "Bond Purchase Agreement").

2. The Bonds are being issued (i) to pay the costs of acquisition and construction of the Project; and (ii) to pay certain costs of issuance and related costs.

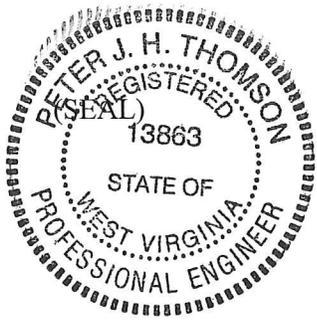
3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the DEP and any change orders approved by the Issuer, the DEP and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 30 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule B attached hereto as Exhibit A and the Issuer's counsel, Hoy Shingleton, Esquire, has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain the critical operational components of the Project; (vi) the successful bids have provided the Drug-Free Workplace Affidavit as evidence of compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code; (vii) the successful bidders include prices for every item on such bid forms; (viii) the uniform bid procedures were followed; (ix) the Issuer has obtained all permits required by the laws of the State of West Virginia and the

United States necessary for the acquisition and construction of the Project and the operation of the System; (x) in reliance upon the certificate of J C Kunkle & Associates, the Issuer's certified public accountant, of even date herewith, as of the effective date thereof, the rates and charges for the System will be sufficient to comply with the provisions of the Bond Purchase Agreement; (xi) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; and (xii) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

4. The Project will serve no new customers.

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WITNESS my signature and seal on the day and year first written above.



BLACK & VEATCH CORPORATION

A handwritten signature in blue ink, appearing to read "Peter J. H. Thomson".

Peter J. H. Thomson, P.E.
West Virginia License No. 13863

144220.00016

Schedule B Charles Town Utility Board (Tuscowilla Phase I)

A. COST OF PROJECT	Contract 1A	2011 A	2011 B
1. Construction			
a. Contract 1A - Tuscowilla WWTP	13,081,610	11,082,110	1,999,500
b. Contract 1B - Huntfield WW Force Main and Pump Station	0	0	0
2. Technical Services			
a. Contract 1A - Tuscowilla WWTP	0	0	0
b. Contract 1B - Huntfield WW Force Main and Pump Station	0	0	0
c. Contract 1A - Tuscowilla WWTP Construction Serv. Eng.	1,596,755	1,596,755	0
d. Contract 1B - Huntfield WW Force Main and Pump Station Construction Services Engineering	0	0	0
e. Contract 2A- Tuscowilla WWTP Phase 2 Design	0	0	0
3. Legal			
a. Project Attorney	0	0	0
b. Rights of Way	0	0	0
c. PSC Attorney	15,000	15,000	0
4. Administrative	0	0	0
5. Accounting	0	0	0
6. Permits	0	0	0
7. Sites, Easements and ROW Costs:			
a. Land Acquisition Costs (NFP)	0	0	0
b. Easement Costs	0	0	0
8. Project Contingency / Costs of BAN	422,827	422,827	0
9. SUBTOTAL Lines 1 through 8	15,116,192	13,116,692	1,999,500
B. COST OF FINANCING			
10. Funded Reserve	0	0	0
11. Registrar	1,000	500	500
12. Bond Counsel	30,000	30,000	0
13. SUBTOTAL Lines 10 through 12	31,000	30,500	500
14. TOTAL COST OF PROJECT (Line 9 plus line 13)	15,147,192	13,147,192	2,000,000
C. SOURCES OF FUNDS			
15. Federal Grants	0	0	0
16. State Grants	0	0	0
17. Other	0	0	0
18. SUBTOTAL GRANTS Lines 15 through 17	0	0	0
19. SIZE OF BOND ISSUE	15,147,192	13,147,192	2,000,000

City of Charles Town

Engineer

July 22, 2011

July 22, 2011



J.C. Kunkle & Associates, A.C.
CERTIFIED PUBLIC ACCOUNTING & CONSULTING

July 22, 2011

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A; and
Combined Waterworks and Sewerage System Bonds, Series 2011 B
(West Virginia SRF Program)

City of Charles Town
Charles Town, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the water rates and charges as set forth in the Water Rate Ordinance enacted on April 15, 2008 and Sewer Rate Ordinances enacted by the City of Charles Town (the "Issuer") on August 17, 2009 and December 7, 2009 as amended by Recommended Decision dated June 18, 2010 which became a Final Order on July 8, 2010 in Case No. 10-0070-S-MA and Case No. 09-1562-S-MA of the Public Service Commission of West Virginia and the projected operating expenses and the anticipated customer usage as furnished to us by Black & Veatch, the Consulting Engineer to the City of Charles Town, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the combined waterworks and sewerage system (the "System") of the Issuer, will pay all operating expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program) issued in the aggregate principal amount of \$13,147,192 and Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B (West Virginia SRF Program) issued in the aggregate principal amount of \$2,000,000 (collectively, the "Series 2011 Bonds") and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2011 Bonds, including the Issuer's:

(i) Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of \$413,629 ("Series 1987 B Bonds");

(ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of \$295,916 ("Series 1988 B-1 Bonds");

164 Lina Lane ■ Martinsburg, WV 25405

304/263-9299 ■ Fax 304/267-7032 ■ e-mail: jckunkle@jckunkleassociates.com

(iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of \$558,000 ("Series 1988 B-2 Bonds");

(iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of \$117,480 ("Series 1989 B Bonds");

(v) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of \$437,601 ("Series 1998 Bonds");

(vi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of \$3,163,781 ("Series 2000 A Bonds");

(vii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of \$1,100,000 ("Series 2002 A Bonds");

(viii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of \$3,600,000 ("Series 2002 B Bonds");

(ix) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 C (Insured), dated December 1, 2002, issued in the original aggregate principal amount of \$4,135,000 ("Series 2002 C Bonds");

(x) Combined Waterworks and Sewerage System Revenue Bonds, Series 2003 A (AMT - Uninsured), dated January 1, 2003, issued in the original aggregate principal amount of \$1,000,000 ("Series 2003 A Bonds");

(xi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2005 A (Taxable), dated June 15, 2005, issued in the original aggregate principal amount of \$2,355,000 ("Series 2005 A Bonds");

(xii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 A (Taxable), dated January 19, 2006, issued in the original aggregate principal amount of \$1,830,000 ("Series 2006 A Bonds");

(xiii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2006 B (Tax-Exempt), dated July 27, 2006, issued in the original aggregate principal amount of \$2,000,000 ("Series 2006 B Bonds");

(xiv) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2009 A (Tax-Exempt), dated December 1, 2009, issued in the original aggregate principal amount of \$7,120,000 ("Series 2009 A Bonds");

(xv) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010, issued in the original aggregate principal amount of \$912,458 ("Series 2010 A Bonds");

(xvi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA), dated January 13, 2010, issued in the original aggregate principal amount of \$100,000 ("Series 2010 B Bonds");

(xvii) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of \$1,250,000 ("Series 2010 C Bonds"); and

(xviii) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of \$500,000 ("Series 2010 D Bonds"), and collectively referred to as the "Prior Bonds", as defined in the Bond Ordinance authorizing the Bonds.

It is further our opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Series 2011 Bonds, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Series 2011 Bonds and the Prior Bonds.

Sincerely,

J. C. Kuntz & Associates, A.C.

Martinsburg, West Virginia

CITY OF CHARLES TOWN

Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A; and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B
(West Virginia SRF Program)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Mayor and Clerk of the City of Charles Town in Jefferson County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of \$13,147,192 Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program) and \$2,000,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B (West Virginia SRF Program), of the Issuer, both dated July 22, 2011 (collectively the "Bonds" or the "Series 2011 Bonds") on the 22nd day of July, 2011, hereby certifies as follows:

1. I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Ordinance duly enacted by the Issuer on May 16, 2011, as supplemented by Supplemental Resolution duly adopted on July 5, 2011 (collectively, the "Bond Ordinance"), authorizing the Bonds.

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

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on July 22, 2011, the date on which the Bonds are being physically delivered in exchange for an initial advance of the principal amount of the Series 2011 Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

4. In the Bond Ordinance pursuant to which the Bonds are issued, the Issuer has covenanted that it shall not take, or permit or suffer to be taken, any action with respect to Issuer's use of the proceeds of the Bonds which would cause any bonds, the interest, if any, on which is exempt from federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (collectively, the "Code"), issued by the West Virginia Water Development Authority (the "Authority") or the West Virginia Department of Environmental Protection (the "DEP"), as the case may be, from which the proceeds of the Bonds are derived, to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.

5. A. The Series 2011 A Bonds were sold on July 22, 2011, to the Authority, pursuant to an Bond Purchase Agreement dated July 22, 2011 (the “Bond Purchase Agreement”), by and among the Issuer, the Authority, and the DEP for an aggregate purchase price of \$13,147,192 (100% of par), at which time, the Issuer received \$657,360 from the Authority and the DEP, being the first advance of the principal amount of the Series 2011 A Bonds. No accrued interest has been or will be paid on the Series 2011 A Bonds. The balance of the principal amount of the Series 2011 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

B. The Series 2011 B Bonds were sold on July 22, 2011, to the Authority, pursuant to an Bond Purchase Agreement dated July 22, 2011 (the “Bond Purchase Agreement”), by and among the Issuer, the Authority, and the DEP for an aggregate purchase price of \$2,000,000 (100% of par), at which time, the Issuer received \$100,000 from the Authority and the DEP, being the first advance of the principal amount of the Series 2011 B Bonds. No accrued interest has been or will be paid on the Series 2011 B Bonds. The balance of the principal amount of the Series 2011 B Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2011 Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying the costs of acquisition and construction of certain additions, betterments and improvements to the sewerage portion of the existing public waterworks and sewerage facilities of the Issuer (the “Project”); and (ii) paying certain costs of issuance of the Bonds and related costs.

7. Within 30 days after the delivery of the Series 2011 Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the respective Series 2011 Bonds Reserve Accounts, if any, all of the proceeds from the sale of the Series 2011 Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before March 1, 2014. The acquisition and construction of the Project is expected to be completed by September 1, 2013.

8. The total cost of the Project, a portion of which is financed from the proceeds of the Series 2011 Bonds (including all costs of issuance of the Series 2011 Bonds), is estimated at \$15,147,192. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2011 A Bonds	\$13,147,192
Proceeds of the Series 2011 B Bonds	<u>\$2,000,000</u>
Total Sources	<u>\$15,147,192</u>

USES

Costs of Acquisition and Construction of the Project	\$15,116,192
Costs of Issuance	<u>\$31,000</u>
Total Uses	<u>\$15,147,192</u>

9. Pursuant to Article V of the Bond Ordinance, the following special funds or accounts have been created or continued relative to the Series 2011 Bonds:

- (1) Revenue Fund (established by Prior Ordinance);
- (2) Renewal and Replacement Fund (established by Prior Ordinance);
- (3) Series 2011 Bonds Construction Trust Fund;
- (4) Series 2011 A Bonds Sinking Fund;
- (5) Series 2011 A Bonds Reserve Account;
- (6) Series 2011 B Bonds Sinking Fund; and
- (7) Series 2011 B Bonds Reserve Account.

10. Pursuant to Article VI of the Bond Ordinance, the proceeds of the Bonds will be deposited as follows:

(1) Series 2011 A Bonds proceeds in the amount of \$-0- will be deposited in the Series 2011 A Bonds Reserve Account.

(2) The balance of the proceeds of the Series 2011 A Bonds will be deposited in the Series 2011 Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Series 2011 A Bonds and related costs.

(3) Series 2011 B Bonds proceeds in the amount of \$-0- will be deposited in the Series 2011 B Bonds Reserve Account.

(4) The balance of the proceeds of the Series 2011 B Bonds will be deposited in the Series 2011 Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the

Project, including costs of issuance of the Series 2011 B Bonds and related costs.

11. A. Monies held in the Series 2011 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2011 A Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2011 A Bonds Sinking Fund and Series 2011 A Bonds Reserve Account will be withdrawn therefrom and deposited into the Series 2011 Bonds Construction Trust Funds during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

B. Monies held in the Series 2011 B Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2011 B Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2011 B Bonds Sinking Fund and Series 2011 B Bonds Reserve Account will be withdrawn therefrom and deposited into the Series 2011 Bonds Construction Trust Funds during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

12. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within 25 months of the date hereof.

13. The Issuer will take such steps as requested by the Authority to ensure that the Authority's bonds meet the requirements of the Code.

14. With the exception of the amount deposited in the respective Series 2011 Bonds Reserve Accounts, if any, all of the proceeds of the Bonds will be expended on the Project within 31 months from the date of issuance thereof.

15. The Issuer does not expect to sell or otherwise dispose of the Project in whole or in part prior to the last maturity date of the Bonds.

16. The amount designated as costs of issuance of the Bonds consists only of costs which are directly related to and necessary for the issuance of the Bonds.

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

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

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

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

21. The Bonds are not federally guaranteed.

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

23. A. The Issuer has either (a) funded the Series 2011 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2011 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2011 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Monies in the Series 2011 A Bonds Reserve Account and the Series 2011 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

B. The Issuer has either (a) funded the Series 2011 B Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2011 B Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2011 B Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Monies in the Series 2011 B Bonds Reserve Account and the Series 2011 B Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

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

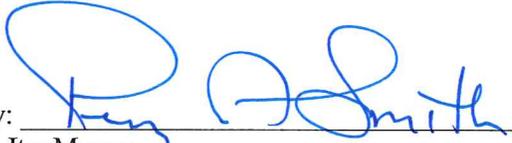
25. To the best of my knowledge, information and belief, there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

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

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

WITNESS our signatures on day and year first written above.

CITY OF CHARLES TOWN

By: 
Its: Mayor

By: 
Its: Clerk

CHARTER
OF THE
CITY OF
CHARLES TOWN
WEST VIRGINIA

EDITOR'S NOTE: The Charles Town Charter was enacted by the West Virginia Legislature in 1915.

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CHARTER

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CHARTER
OF THE
CITY OF
CHARLES TOWN
WEST VIRGINIA

SECTION I. CORPORATE LIMITS.

The corporate limits of the Town of Charles Town shall be as follows, to-wit:
Beginning at the corner of William H. Travers and Andrew Hunter, on the north side of Smithfield; Charles Town and Harpers Ferry turnpike, being 41.1 poles from the east side to town alley (figure 1 in plat of S. Howell Brown's survey of January eighteenth, one thousand eight hundred and seventy-two); running thence with the line of said Travers and Hunter, and also the line of Richard Hesse and the said Hunter, N. 20 degrees, 20 minutes, W. to the Winchester and Potomac Railroad, and extending the same course in all 79.3 poles to a stake in James M. Ranson's field; thence parallel to Washington Street S. 69 degrees, 40 minutes, W. 290 poles to a stake at the prolongation of the line of Mrs. Buskirk and Henry B. Davenport; thence in the direction of said line S. 20 degrees, 20 minutes, E. 10.8 poles to a stake at the west side of new road, where the same intersects the "Old Mill Road"; thence with the west side of new road S. 20 degrees, 10 minutes, W. 52.9 poles, crossing the aforesaid turnpike to a stake in the line of said Davenport (5); and thence with the said line S. 17 degrees, 50 minutes, E. 30.9 poles to the south line of the "Old Winchester Road"; thence with it N. 69 degrees, 40 minutes, E. 36.05 poles to a point at the prolongation of the aforesaid line of Buskirk and Davenport; thence extending said course S. 20 degrees, 20 minutes, E. 147.12 poles to a stake in William Drew's field; thence parallel to Washington Street N. 69 degrees, 40 minutes, E. 122 poles to a stake; thence S. 20 degrees, 20 minutes, E. 45.45 poles to a stake; thence N. 69 degrees, 40 minutes, E. 115.25 poles to a stake; thence N. 20 degrees, 20 minutes, W. 45.45 poles to a stake; thence N. 69 degrees, 40 minutes, E. 52.75 poles to a stake in George H. Tate's field (13); thence N. 20 degrees, 20 minutes, W. 150.18 poles to beginning; containing 460 acres.

Editor's Note: In addition to the above described territory, the following territory was annexed to the city in 1967:

Beginning at the present corporation line of Charles Town in the east line of South Samuel Street; thence N 72-30 E 926 feet; thence N 17-30 W 750 feet, crossing Forrest Avenue, to a point; thence and still with said present corporation line, N 72-30 E 797.3 feet to a point; thence leaving said present corporation line and running with the east line of an alley, S 20-15 W 1463.7 feet to a point therein; thence S 69-45 E 3 feet; thence S 20-15 W 992.2 feet to a point; thence N 69-43 W 79.8 feet; and N 18-00 W 425.4 feet; N 13-30 E 285.7 feet; N 25-10 E 45 feet; N 14-15 W 205 feet; and S 73-15 W 343.5 feet to the east line of South Samuel Street (extended); and thence with same N 17-30 W 232 feet to the beginning; containing 22.48 acres.

SECTION 2. MUNICIPAL AUTHORITIES.

The Municipal authorities of said Town shall be a Mayor and two Councilmen from each ward who, together, shall be a Common Council.

SECTION 3. TOWN INCORPORATE.

The Mayor and Councilmen as soon as they shall be elected and qualified, as herein provided, shall be a body politic and corporate by the name of "The Corporation of Charles Town", and shall have perpetual succession and a common seal; and by that name may sue and be sued, plead and be impleaded, contract and be contracted with, and may purchase and hold real estate and other property necessary or proper to enable it to discharge its duties, and needful for the good order, government and welfare of said corporation.

SECTION 4. CORPORATE POWERS.

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

SECTION 5. ELECTION OF MAYOR.

The Mayor and Councilmen shall be elected by the qualified voters of said corporation.

SECTION 6. WARDS; ELECTIONS THEREIN.

The said town shall consist of four wards located and bounded as follows:
The first ward shall include all the territory within the corporate limits lying north of Washington Street and the Summit Point road and west of George Street; the second ward, all the territory lying south of Washington Street and the Summit Point road and west of George Street; the third ward all the territory within said corporate limits lying east of George Street and south of Washington Street; the fourth ward all the territory within said corporate limits lying east of George Street and north of Washington Street. Elections in said corporation under this Act shall be held on the fourth Thursday in May, one thousand nine hundred and fifteen, and annually thereafter on such Thursday, and shall be under the supervision of three inspectors at each election precinct in said Town, who are to be appointed by the Council, and who shall be governed by such rules and regulations as the Council may prescribe. The Council shall select and designate the voting places of the respective wards in the Town.

SECTION 7. QUALIFICATIONS OF MAYOR, ETC.,

The Mayor and Councilmen must be, at the time of their election and during their terms of office, owners in fee of real estate in said corporation of the value of two hundred and fifty dollars over and above all encumbrances, and be entitled to vote for members of its common Council.

SECTION 8. TERMS OF OFFICE.

Their term of office shall be (except when to fill vacancies) for two years, and until their successors are elected and qualified, as herein provided; except that at the election to be held on the fourth Thursday in May, one thousand nine hundred and fifteen, there shall be elected one Councilman from the first, second, and fourth wards, and two Councilmen from the third ward, one of the said two so elected from the third ward to hold office for two years, and the other for one year; the terms of office of said Councilmen so elected from the third ward shall be determined by lot at the first meeting of the Council held after such election in one thousand nine hundred and fifteen.

Annually thereafter, on the fourth Thursday in May, there shall be elected one Councilman from each ward, to be voted for throughout the town as hereinbefore provided. The Mayor shall be elected on the fourth Thursday in May, one thousand nine hundred and sixteen, and every two years thereafter on such Thursday. The Mayor and members of the Council elected in May, one thousand nine hundred and fifteen, shall continue in office until their successors are elected in May, one thousand nine hundred and sixteen.

SECTION 9. CERTIFICATES OF ELECTION.

As soon as the result for such election for Mayor and Councilmen is ascertained, the inspectors of election shall sign a certificate containing complete returns of the polls taken at their place of voting for all of said officers, and shall enclose the certificate in an envelope, which shall be sealed up and endorsed by each of such inspectors. The inspectors, or one of them, shall, within three days after the day on which such election was held, deliver said certificates to the Mayor of said Town. At the next meeting of the Council thereafter the Mayor shall present such certificates to the Council, who shall examine the same and ascertain the true result of such election in said Town, and the person respectively appearing to have received the highest number of vote for the several offices shall be declared elected, and a certificate thereof signed by the Mayor shall be granted to the person so elected.

SECTION 10. WHO MAY VOTE.

Every person who shall have resided within the boundaries of said Town for one month, and within the ward in which he offers to vote for five days next preceding the election held therein, and who is a qualified voter under the laws and Constitution of this State, and no others, shall be entitled to vote at any election held in said town.

SECTION 11. VACANCIES IN OFFICE.

All vacancies occurring from any cause in any elective office of the Town shall be filled by appointment by the Council until the next election held in said Town for Councilmen; but in case of a Councilman, such appointment shall be made only of a resident of the ward in which such vacancy has occurred, and such appointees shall be otherwise qualified as is required by this Act.

SECTION 12. MODE OF VOTING.

At all elections the mode of voting shall be that prescribed by the State Constitution for election of State officers.

SECTION 13. TIE VOTES

Whenever two or more candidates for the same office at any election shall receive an equal number of votes, the Council shall, in an equitable mode, determine which of the persons so voted for shall be returned elected.

SECTION 14. CONTESTED ELECTIONS.

All contested elections shall be heard and decided by the Council for the time being; but the Council may order a new election if satisfied the ends of justice will be better attained thereby.

SECTION 15. QUORUM.

A majority of the Councilmen elected shall be necessary for the transaction of any business.

SECTION 16. NUMBER, TERMS, DUTIES AND COMPENSATION OF APPOINTIVE OFFICERS.

There shall be one or more Sergeants, a Clerk, a Treasurer, an Assessor, a City Attorney, a City Health Officer, a City Engineer, and three Commissioners of Roads, Streets and Alleys of said Town, who shall be appointed by the Council thereof and hold office during the pleasure of said Council. The duties of Sergeant, Clerk, Treasurer and Assessor may be discharged by the same person, or otherwise, as the Council may from time to time determine; but no member of the Council shall hold any of said offices. The compensation for said officers shall be in the discretion of the Council.

SECTION 17. OATH OF MAYOR AND COUNCILMEN.

The Mayor and Councilmen and all officers herein provided for, shall each, before entering upon the duties of his office, and within ten days of the time of his election or appointment, take and subscribe an oath to faithfully and impartially discharge the duties of his office, and the oath to support the Constitution of the United States, and the Constitution of the State of West Virginia. The Mayor, having taken such oath or affirmation, may administer the same to the Councilmen and other officers. Certificates of said oaths or affirmations shall be recorded in the journal of said Council, and whenever two-thirds of the members of the Council shall have qualified, they shall enter upon said offices.

SECTION 18. FAILURE TO QUALIFY.

If any one who shall have been elected Mayor or Councilman shall not be eligible as herein prescribed, or shall refuse or fail to take the oath or affirmation required under this Act, within the time prescribed, the Council may declare his office vacant and fill the vacancy as provided in Section Eleven of this Act.

SECTION 19. PRESIDING OFFICER.

The Council shall be presided over at its meetings by the Mayor, or in his absence, by the Mayor Pro Tem., who shall be chosen annually by a majority of the Council present at the first meeting of said Council, from the members of the Council after the election and qualification; and such Mayor Pro Tem., shall in the absence of the Mayor, have all the powers and perform all the duties of the Mayor.

SECTION 20. JOURNAL OF COUNCIL.

The Council shall cause to be kept, in a well-bound book, an accurate record of all its proceedings, bylaws, acts and orders, which shall be fully indexed, and open to the inspection of citizens of the Town. The proceedings of each meeting shall be read and corrected at the succeeding meeting, and signed by the person presiding at the time being. Upon the call of any member the yeas and nays shall be called and recorded in the journal. In all cases of a tie the person presiding at the time shall have the casting vote.

SECTION 21. POWERS OF COUNCIL.

The Council shall have power to open and grade new streets and extend, widen, straighten, repair and grade old streets and alleys; to curb and pave streets, sidewalks and gutters for public use, and to alter, improve and light the same, and shall have control of all the avenues for public use in said Town; to have the same kept in good order and free from obstructions on or over them; to regulate and determine the width of all streets, sidewalks and public alleys; to order and direct the curbing and paving of all sidewalks and footways for public use in said town, to be done and kept in good order by the owners or occupants of the adjacent property; to control the construction and repair of all houses, bridges and culverts; the opening and construction of all ditches, drains and gutters; to widen, deepen and clear the same of stagnant water and filth and to determine at whose expense the same shall be done; to purchase, lay off and appropriate public grounds and control the use of the same; to provide, contract for and take care of, all public buildings proper to the Town; to provide for the regular building of houses or other structures; to cause the removal of unsafe walls or buildings; to prevent injury or annoyance to the public or individuals from anything dangerous, offensive or unwholesome; to abate or cause to be abated anything which, in the opinion of the majority of the whole Council, shall be a nuisance; to regulate the keeping of gunpowder and other combustibles and explosives; to provide in or near the Town places for the burial of the dead, and regulate the interments in the Town, and provide ornamental trees; to provide for making division fences, and for the draining of lots by proper drains and ditches; to make regulations for guarding against danger or damages from fire;

to provide for the poor of the Town; to organize one or more fire companies, and provide the necessary apparatus, tools, implements, engines, or any of them, for their use; to provide a sufficient revenue for said Town, and appropriate the same to its expenses; to issue bonds of the corporation and make sale thereof, but no such bonds shall be sold by said corporation for less than par, nor bearing a higher rate of interest than six percent per annum; nor shall said corporation be indebted on account of such issue at any period in a greater sum than ten thousand dollars without the consent of a majority of the voters of the Town expressed at an election held for that purpose; nor shall the whole indebtedness of said Town at any time ever exceed the sum of one hundred thousand dollars; to provide for the annual assessment of taxable persons and property in the Town; to adopt rules for the transaction of business, and for the government and regulation of its own body; to promote the general welfare of the Town, and to protect the persons and the property of the citizens therein; to appoint the officers authorized by Section Sixteen of this Act, fix their terms of service and compensation, require and take from them bonds, with such sureties and in such penalties as the Council may determine, conditioned for the true and faithful discharge of their duties, and remove them at pleasure; but all bonds taken by the Council shall be made payable to the Town by its corporate name; to provide for and regulate the weighing of hay, coal, wood and other articles sold or for sale in said Town, and to regulate the transportation thereof through the streets; to establish and regulate markets, or prescribe the time for holding the same, and what articles shall be sold only in said markets; to protect places of divine worship; to lay off the Town into four or more wards, prescribing the boundaries of said wards; but should any change in the boundaries of the wards be made; the new wards shall be equal in population as nearly as possible; to appoint and publish the places of holding Town elections; to erect or authorize or prohibit the erection of gas works in or near the Town; to prevent injuries to, and provide protection of the same; to provide for the purity of the water and the healthfulness of the town; for all of which purposes except that of taxation, the Council shall have jurisdiction for one mile beyond the corporate limits of said Town; to prescribe and enforce ordinances for the purpose of protecting the health, decency, morality and order of the Town and its inhabitants, and to punish violators of such ordinances, even if the offenses under and against such ordinances shall also constitute offenses under the laws of the State of West Virginia, or the common law, for which purpose also the jurisdiction of said Town shall extend for one mile beyond the corporate limits thereof.

SECTION 22. POWER TO REPAIR SIDEWALKS, ETC.

If the owner or occupant of any sidewalk, footway, gutter or pavement in said Town, or of the real property next adjacent thereto, shall fail or refuse to curb, pave or keep the same clean, in the manner and within the time required by the Council, it shall be the duty of the Council to cause the same to be done at the expense of the said Town and to assess the amount of such expense upon such owner or occupant, and the same may be collected by the Town sergeant in the manner herein provided for the collection of Town taxes.

SECTION 23. GENERAL POWERS.

To carry into effect these enumerated powers, and all other powers conferred upon the said Town, or its Council, expressly or by implication, by this or any future act of the legislature of this State, the Council shall have power to make, pass and enforce all needful orders, bylaws, ordinances, resolutions, rules and regulations, not contrary to the Constitution and laws of this State; and to prescribe and impose reasonable fines, penalties, and imprisonment in the County jail for a term not exceeding thirty days, for violations thereof. Such fines, penalties and imprisonment shall be recovered and enforced under the judgment of the Mayor of said Town, or the person lawfully exercising the functions of Mayor. And the authorities of said Town may, with the consent of the County Court of Jefferson County, entered of record, use the jail of said County for any purposes for which the use of a jail may be needed by them, under the acts of the Council or of the State.

SECTION 24. ANNUAL ESTIMATE.

The Council shall cause to be made up annually and entered upon its journal an accurate estimate of all sums which are or may become lawfully chargeable on said Town, and which ought to be paid within one year, and it shall order a Town levy of so much, in its opinion, as may be necessary to pay the same; provided, however, that the tax rate shall not exceed thirty-five cents on the one hundred dollars, except where it appears to the satisfaction of the Council that a levy of thirty-five cents on each one hundred dollars will not produce sufficient revenue in any one year to pay current expenses, the interest on the bonded indebtedness of the Town, and provide for a sinking fund sufficient to liquidate such bonded indebtedness within the time prescribed by law; and in such case, the Council may, by a vote of a majority of all members elected to the Council, increase such tax rate to such a rate, not exceeding fifty cents on the one hundred dollars, as may be necessary for the purpose aforesaid. All vacant property embraced in the proposed boundaries of the said Town, beyond the old limits of the Town, shall be subject only to such taxation for the benefit of said Town, as is levied upon other property for county and district purposes, and until the said vacant property shall be divided into lots for building purposes, and offered for sale as such, and until the streets of the said Town shall be opened for the use and accommodation of the same.

SECTION 25. ANNUAL LEVY.

The levy so ordered shall be upon all male persons resident of said Town over the age of twenty-one years, dogs, and all real and personal estate within the said Town, subject to State or County taxes; provided, that the tax so levied upon persons does not exceed two dollars per head.

SECTION 26. LICENSES.

Whenever anything for which a State license is required is to be done within the said Town, the Council may require a Town license therefor, and may impose a tax thereon for the use of the Town. The Council may require from the persons so licensed a bond with sureties, payable to the Town, in such penalties and with such conditions as it may think proper, and may revoke such license at any time, after due notice and a hearing thereon, if the conditions of said bond be broken.

SECTION 27. ASSESSOR.

It shall be the duty of the Assessor to make an assessment of the persons, dogs, and property within said Town subject to taxation, substantially in the manner and form in which such assessments are made by the Assessor of the County, and to return the same to the Council on or before the first day of July in each year; and for this purpose he shall have all the powers conferred by law upon the County Assessor. He shall receive a compensation for his services to be fixed by the Council, which shall not be increased or diminished during his continuance in office.

SECTION 28. SERGEANT.

The Sergeant shall have power to collect the Town taxes, fines, and levies, and shall have power one month after he receives the books of the Assessor of said Town, to distrain and sell therefor, in like manner as the Sheriff may distrain and sell for State taxes, and shall in all other respects have the same powers as a Sheriff, to enforce the payment and collection thereof; and the said Sergeant shall have power, within the corporate limits, to exercise all the duties of a constable as a conservator of the peace, and he shall be entitled to the same compensation therefor. Upon the conviction of any person arrested by him, for the violation of any of the ordinances of the Town, he shall be entitled to one dollar for such arrest, to be taxed in the costs against the person so convicted, and he and his sureties shall be liable to all fines, penalties and forfeitures that a constable is legally liable to, for any failure or dereliction in his said office, to be recovered in the same manner and before the same courts that said fines, penalties, and forfeitures are now recoverable against constables.

SECTION 29. LIEN ON REAL ESTATE FOR TAXES.

There shall be a lien upon real estate within said corporation for the Town taxes assessed thereon, from the commencement of the year in which they are assessed, and for all other assessments, fines and penalties assessed or imposed upon the owners thereof by the authorities of the Town, from the time the same are so assessed or imposed, which liens shall be enforced by the Council in the same manner as the lien for taxes for county purposes is now enforced or by suit in equity in the circuit court of Jefferson County. The lien aforesaid shall have priority over all other liens, except that for taxes due the State.

SECTION 30. PROHIBITION OF SHOWS.

The Council may prohibit any theatrical or other performance, show or exhibition which it may deem injurious to the morals or good order of the Town.

SECTION 31. BONDS OF SERGEANT AND TREASURER.

The Council shall have the power to require and take from the sergeant and treasurer bonds, with sureties satisfactory to the Council, in such penalty as it may deem sufficient, except that as to the sergeant it shall not be for a penalty less than two thousand five hundred dollars; and said bond shall be conditioned for the true and faithful performance of his duties as sergeant, and for the collecting and accounting for and payment of the taxes, fines and other moneys of the Town which shall come into his hands, or which it shall be his duty to collect, at such times and to such persons as the Council may order.

The Treasurer's bond shall be conditioned for the true and faithful performance of his duties as Treasurer, and that he will faithfully pay over and account for all moneys that shall come into his hands as Treasurer, when and as he shall be thereto required by the Council.

SECTION 32. MAYOR; POWERS, DUTIES, ETC.

The Mayor shall be the chief executive officer of the Town, and shall take care that all bylaws, ordinances and orders of the Council are faithfully executed. He shall be ex officio a conservator and justice of the peace within said Town, and shall, within the same, exercise all the powers and duties vested in justices, except that he shall have no jurisdiction as such in civil cases. He shall have control of the police of the Town, and may appoint special police officers whenever he deems it necessary; and it shall be his duty especially to see that the peace and good order of said Town are preserved, and that the persons and property therein are protected; and to this end he may cause the arrest and detention of all riotous and disorderly persons in said Town before issuing his warrant therefor. He shall have power to issue executions for all fines, penalties and costs imposed by him, or he may require the immediate payment thereof, and in default of such payment he may commit the party in default to the jail of Jefferson County until the fine or penalty and costs shall be paid, to be employed during the term of his imprisonment as hereinafter provided; but the term of imprisonment in such case shall not exceed thirty days. He shall, from time to time, recommend to the Council such measures as he may deem needful to the welfare of the Town. He may receive a compensation for his services, to be fixed by the Council, which shall not be increased nor diminished during his term of office.

SECTION 33. CLERK; HIS DUTIES AND COMPENSATION.

It shall be the duty of the Clerk to keep the journal of the proceedings of the Council, and to have charge of and preserve the records, papers, documents, contracts, etc., of the Town. He shall attend the Mayor in all his examinations, issue his orders, swear witnesses, and perform all the duties of a Clerk in the Council and Mayor's Court. He shall receive such compensation for his services as may be fixed by the Council, which shall not be increased nor diminished during his term of office.

SECTION 34. SERGEANT; HIS DUTIES, LIABILITIES AND COMPENSATION.

It shall be the duty of the Town Sergeant to collect the taxes, fines and other income and revenue of the Town, as specified in his bond, and to account for and pay the same to the Treasurer at such times as the Council may order. And it shall be his duty, at least once in every three months, and oftener if required by the Council, to render an account of the taxes, fines and other claims in his hands for collection, and return a list of such as he shall have been unable to collect by reason of insolvency, to which list he shall make an oath that he has used due diligence to collect the same, but has been unable to do so. The Council shall, if it be satisfied that he could not have collected the same by the use of due diligence, allow them. But if the Council shall be of opinion that by the use of due diligence on the part of said Sergeant he could have collected the same, or any part thereof, then he shall be

charged with such as he might have collected. The said Sergeant shall do and perform all other acts pertaining to the office of Sergeant of a corporation, and of a police officer within said Town, and as such shall have the same powers, duties, fees and liabilities as are by law prescribed for a constable when acting as such. He shall for his services receive such compensation as shall be fixed by the Council.

SECTION 35. TREASURER.

All moneys belonging to said Town shall be paid over to the Treasurer, none of which shall be paid out by him except as the same have been apportioned and ordered to be paid by the Council; and the said Treasurer shall pay the same upon the certificate of the Mayor.

SECTION 36. MOTION AGAINST TREASURER.

If the Treasurer shall fail to account for and pay over all or any moneys that shall come into his hands, when thereto required by the Council, it shall be lawful for the Council, in the corporate name of the town, by motion before the circuit court of Jefferson County, or any court having jurisdiction, after ten days' previous notice, to recover from the treasurer and his sureties, or their personal representative, any sum that may be due from said treasurer to said town.

SECTION 37. MOTION AGAINST SERGEANT.

If the Sergeant shall fail to collect, account for and pay over all the taxes, fines and other revenue of the Town in his hands for collection, according to the conditions of his bond, it shall be lawful for the Council to recover the same by motion, in the corporate name of the Town, in the same manner and before the same courts as provided against the Treasurer in Section Thirty-Six of this Act.

SECTION 38. COMMISSIONER OF STREETS.

It shall be the duty of the Commissioner of Streets to superintend the opening, construction and repair of the roads, streets and alleys, sidewalks, crosswalks, footways, drains, and gutters within the said Town, and to put and keep the same in good repair, and to carry into execution all the resolutions, orders and ordinances of the Council in relation thereto.

SECTION 39. EXEMPTION FROM ROAD AND POOR TAX.

The said Town, and the taxable persons and property therein, shall be exempt and free from the payment of any poor taxes or ordinary road tax, and from contributing to any county expenses for the poor and the ordinary roads and bridges of said County, outside of the corporate limits of the said Town, for any year in which said Town shall, at its own expense, provide for its own poor and keep its streets and bridges in order.

SECTION 40. HITCHING YARD.

The Municipal authorities of the Town shall have power to provide, maintain and operate a hitching yard for the use of the public, and to this end may acquire by purchase, condemnation or otherwise, a sufficient amount of real estate, either within or without the corporate limits. It is authorized to make reasonable rules and regulations for the use of the same, including the rights to make reasonable charges against persons using and occupying it; to erect suitable buildings and sheds thereon; to keep the same clean; to provide a watchman or caretaker, and to prescribe his powers, duties, and compensation, taking from him such bond as may be thought proper. The County Court of Jefferson County is hereby authorized to appropriate such sums annually as it may think proper for the purpose of maintaining in connection with the authorities of the Town of Charles Town such hitching yard. Should said County Court make such appropriation, rules and regulations respecting the use thereof shall be prescribed by a joint committee of the County Court of Jefferson County and the Council of the corporation of Charles Town. The amount of the appropriation by the County Court in each year shall not be less than one hundred nor more than five hundred dollars.

SECTION 41. FORMER TOLL ROADS WITHIN THE CORPORATE LIMITS.

Nothing contained in this Act shall be deemed to place upon the corporation of Charles Town the duty of maintaining and keeping in good order and repair and covered with gravel such streets and roads within the corporate limits as were formerly toll roads or turnpikes, the duty to maintain which and keep in good order and repair and covered with gravel; is placed upon the County Court by the acts of the legislature of one thousand nine hundred and three, one thousand nine hundred and seven and one thousand nine hundred and nine. The County Court of Jefferson County may, however, upon the request of the Council of the corporation of Charles Town surrender its jurisdiction and control of any or all of such roads or streets within the corporate limits to the corporation of Charles Town; and in such case, the duty of maintaining such streets, and keeping them in good order and repaired and covered with gravel, shall be placed upon the corporation of Charles Town; and in such case the county court of Jefferson County shall pay to the corporation of Charles Town annually such amounts as may be expended by it in maintenance of such roads and streets; or the said County Court of Jefferson County may, at its option, pay to the corporation of Charles Town such lump sum as may be agreed upon between them, in consideration of the corporation of Charles Town assuming jurisdiction of such roads and streets, and becoming liable for their upkeep, maintenance and repair, as aforesaid.

SECTION 42. OTHER PROVISIONS OF LAW APPLICABLE.

The corporation of Charles Town, except as is herein otherwise provided, shall have all the powers, rights and privileges, and be entitled to all the benefits now conferred on municipal corporations by West Virginia Code 8-11-1 et seq. or which may hereafter be granted to municipal corporations by general law.

SECTION 43. RIGHTS RESERVED.

All rights, privileges and properties of the said Town, heretofore acquired and possessed, owned and enjoyed by said Town under any act now in force, shall continue undiminished and remain vested in said Town under this Act; and all laws, ordinances and resolutions of the council now in force and not inconsistent with this Act shall be and continue in full force and effect until regularly repealed by a Council elected as provided under this Act.

SECTION 44. DUTIES OF THE COUNCIL.

The Council shall adopt all needful and just ward regulations, whether general or special, for the good of the citizens thereof. It shall authorize street expenditures in the several wards as equity and justice shall demand; and may authorize the collection of a special tax in any ward of the Town, for a specified purpose within such ward, when requested to do so by a majority of the voters thereof. Whenever in the opinion of the Council it becomes necessary to lay off said Town into more than four wards, the said Council shall lay it off.

SECTION 45. PRISONERS; HOW EMPLOYED.

The Council shall provide for the employment and safekeeping of persons who may be committed for default in payment of fines, penalties, or costs under this Act, and who are otherwise unable to discharge the same, by putting them to work for the benefit of the Town; shall keep on hand an ample supply of necessary material for the same, and shall provide all necessary tools, implements, fixtures, and facilities for the immediate employment of any and all of such persons; shall fix a reasonable rate per diem as wages to be allowed every person, until such fine and costs against him are discharged; and the clerk shall keep an account of all fines and penalties so collected and expended.

SECTION 46. OPENING STREETS.

The Council of said corporation shall be entitled to all the benefits of West Virginia Code 54-1-1 to 54-2-20 for the condemnation of land for streets, alleys and public buildings in said corporation, and the Commissioners appointed under said chapter shall in cases of opening streets or alleys or in widening the same, not only assess what is a just compensation as provided in said chapter, but they shall also assess the damages and benefits to all lot owners or property holders having lots or land adjacent to and abutting on said street or alley, whose lot or land may be benefited or injured by the opening of such street or alley or by the widening of any such street or alley, and shall make report as provided in said chapter, but lot owners and property holders shall be named in the application and served with notice as required by said chapter, and the duties of such Commissioners and their oaths shall cover the duties herein imposed. All assessments for benefits under this Act shall be a lien on the property against which the same are assessed, and may be enforced in a court of equity. But either party to such assessment of damages or benefits shall have the right to call for a jury as provided in said chapter.

Post-it Fax Note	7871	Date	5/17/98	Page	1
To	Vince Collins	From	Carla Arnett		
Card No.			Carla Arnett		

AMENDMENT TO THE CHARTER OF THE
CITY OF CHARLES TOWN, WEST VIRGINIA
WITH REGARD TO SECTION 8. TERMS OF OFFICE

BE IT ORDAINED by the City Council of the City of Charles Town as follows:

That Section 8, TERMS OF OFFICE of the Charter of the city of Charles Town be AMENDED pursuant to West Virginia Code 8-4-8, as follows:

SECTION 8. TERMS OF OFFICE.

Their term of office shall be (except when to fill vacancies) for four years, and until their successors elected and qualified, as herein provided; except that the election to be held the fourth Thursday in May, nineteen hundred ninety nine, there shall be one Councilperson from the first, second, third and fourth wards, their terms of office shall be for four years.

Bi-annually thereafter, on the fourth Thursday of May, there shall be elected one Councilperson from each ward, to be voted for throughout the town as hereinbefore provided. The Mayor shall be elected on the fourth Thursday in May, 2001 and every four years thereafter on such Thursday. the Mayor and members of Council elected in May, 1998 shall continue in office until their successors are elected in May, 2001.

BE IT ORDAINED that this Charter Amendment shall take effect and be in full force as provided by West Virginia Code 8-4-8.

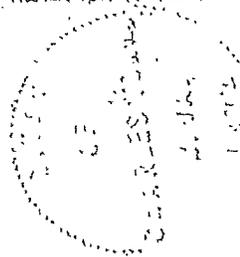
CITY OF CHARLES TOWN

By: J. Randolph Hilton
Mayor J. Randolph Hilton

Attest:

Brenda A. Hamilton
Clerk

Date of Public Hearing: September 8, 1998
Enacted/Passed: September 21, 1998



Rules

02-19

RESOLUTION NO. 02-08

A RESOLUTION PROMULGATING RULES OF THE
COMMON COUNCIL OF THE CITY OF CHARLES TOWN IN
ACCORDANCE WITH WEST VIRGINIA STATE CODE §6-9A-
3, *Proceedings to be open; public notice of meetings.*

The Common Council of the City of Charles Town recognizes the right of each citizen to be heard before the Council and;

WHEREAS, the Common Council of the City of Charles Town hereby finds and states the following declaration of policy in accordance with West Virginia State Code §6-9A-1:

That public agencies in this City exist for the singular purpose of representing citizens of this City in governmental affairs, and it is, therefore, in the best interests of the people of this City for the proceedings of public agencies be conducted openly, with only a few clearly defined exceptions. The Common Council hereby further finds and declares that the citizens of the City do not yield their sovereignty to the governmental agencies that serve them. The people in delegating authority do not give their public servants the right to decide what is good for them to know and what is not good for them to know. The people insist on remaining informed so that they may retain control over the instruments of government created by them.

Open government allows the public to educate itself about government decision-making through individuals' attendance and participation at government functions, distribution of government information by the press or interested citizens, and public debate on issues deliberated within the government.

Public access to information promotes attendance at meetings, improves planning of meetings, and encourages more thorough preparation and complete discussion of issues by participating officials. The government also benefits from openness because better preparation and public input allow government agencies to gauge public preferences accurately and thereby tailor their actions and policies more closely to public needs. Public confidence and understanding ease potential resistance to government programs.

Resolution No. 02-08

Accordingly, the benefits of openness inure to both the public affected by governmental decision-making and the decision makers themselves. The Common Council finds, however, that openness, public access to information and a desire to improve the operation of government do not require nor permit every meeting to be a public meeting. The Common Council finds that it would be unrealistic, if not impossible, to carry on the business of government should every meeting, every contact and every discussion seeking advice and counsel in order to acquire the necessary information, data or intelligence needed by a governing body were required to be a public meeting. It is the intent of the Common Council to balance these interests in order to allow government to function and the public to participate in a meaningful manner in public agency decision-making.

WHEREAS, the Common Council of the City of Charles Town intends to adhere to West Virginia State Code §6-9A-3, *Proceedings to be open; public notice of meeting*, that states in part:

Any governing body may make and enforce reasonable rules and regulations for attendance and presentation at any meeting where there is not room enough for all members of the public who wish to attend. This article does not prohibit the removal from a meeting of any member of the public who is disrupting the meeting to the extent that orderly conduct of the meeting is compromised; Provided, That persons who desire to address the governing body may not be required to register to address the body more than fifteen minutes prior to time the scheduled meeting is to commence.

WHEREAS, the Common Council of the City of Charles Town intends to adhere to West Virginia State Code §6-9A-3, *Proceedings to be open; public notice of meeting*, that further states in part:

Each governing body shall promulgate rules by which the date, time, place and agenda of all regularly scheduled meetings and the date, time, place and purpose of all special meetings are made available, in advance, to the public and news media, except in the event of an emergency requiring immediate official action.

WHEREAS, the Common Council of the City of Charles Town by this Resolution shall establish and enforce as reasonable regulations the following:

1. To constitute a meeting, the Common Council hereby finds that a meeting is the convening of any public agency for which a quorum is required in order to make a decision or to deliberate toward a decision on any matter that results in an official action.

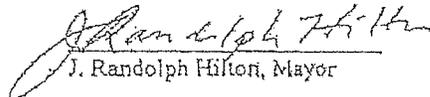
Resolution No. 02-08

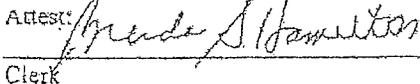
2. That when a governing body holds regular meetings every two weeks, or less frequently, a meeting agenda should be made available to the media and public at least three days in advance of the meeting. In calculating the three-day notice period, Saturdays, Sundays, and legal holidays are not counted. The governing body can amend an agenda that was issued three or more days in advance of a meeting, to add additional items that were not known when the agenda was first issued. However, this amended agenda must be made available at least two days in advance of the meeting. Notices required herein shall be placed on the public notice board at 105 S. George Street, Charles Town, WV.
3. That the right of each citizen to be heard before the Council shall be for an initial period of five minutes. Council may upon motion extend this time period with regard to complex subject matter. That persons who desire to address the governing body shall register to address the body fifteen minutes prior to the time the scheduled meeting is to commence.
4. This Resolution shall not be construed to prohibit the removal from a meeting of any member of the public who is disrupting the meeting to the extent that orderly conduct of the meeting is compromised.
5. All Boards and ^{Committees} Committees of the City of Charles Town shall comply with this Resolution.
6. In keeping with past practice and procedure, the standing committees of the Common Council shall not require a quorum to meet.
7. Exceptions set forth in West Virginia State Code §6-9A-4 are applicable herein.

NOW, THEREFORE, BE IT RESOLVED that the Common Council of the City of Charles Town in Jefferson County of the State of West Virginia hereby proclaims this Resolution a promulgation of rules in accordance with West Virginia State Code §6-9A-3. *Proceedings to be open: public notice of meeting.*

ADOPTED by the City of Charles Town at its regular meeting this 15th Day of July, 2002

CITY OF CHARLES TOWN


J. Randolph Hilton, Mayor

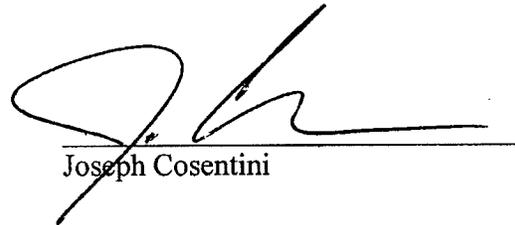
Attest: 
Clerk

State of West Virginia,

COUNTY OF JEFFERSON, SCT.

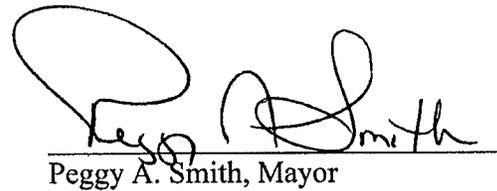
I, **Joseph Cosentini**, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, **Joseph Cosentini**, do solemnly swear that I will faithfully discharge and perform the duties of the position of City Manager, to the best of my skill and judgment, and according to law.



Joseph Cosentini

The above oath was taken and subscribed before Peggy Smith, Mayor of the City of Charles Town, on this 6th day of July, 2011.



Peggy A. Smith, Mayor

State of West Virginia,

COUNTY OF JEFFERSON, SCT.

I, **Mark Reinhart**, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, **Mark Reinhart**, do solemnly swear that I will faithfully discharge and perform the duties of the office of **Councilmember Ward I for the City of Charles Town**, to the best of my skill and judgment, and according to law. So help me God.


Mark Reinhart

the above oath was taken and subscribed by Mayor, Peggy A. Smith on this 6th day of June, 2011.

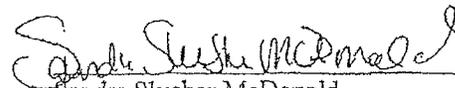

Peggy A. Smith, Mayor

State of West Virginia,

COUNTY OF JEFFERSON, SCT.

I, Sandra Slusher McDonald, do solemnly swear that I will support the
Constitution of the United States and the Constitution of the State of West Virginia.

I, Sandra Slusher McDonald, do solemnly swear that I will faithfully discharge
and perform the duties of the office of **Councilmember, Ward I, for the City of Charles
Town**, to the best of my skill and judgment, and according to law. So help me God.


Sandra Slusher McDonald

the above oath was taken and subscribed by the Honorable Mayor, Peggy A. Smith,
on this 15th day of June, 2009.

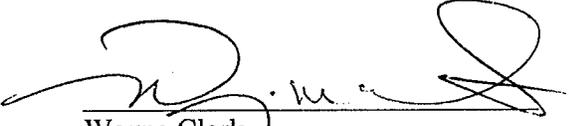

Peggy A. Smith

State of West Virginia,

COUNTY OF JEFFERSON, SCT.

I, **Wayne Clark**, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, **Wayne Clark**, do solemnly swear that I will faithfully discharge and perform the duties of the office of **Councilmember Ward II for the City of Charles Town**, to the best of my skill and judgment, and according to law. So help me God.



Wayne Clark

the above oath was taken and subscribed by Mayor Peggy A. Smith on this 6th day of June, 2011.



Peggy A. Smith, Mayor

State of West Virginia,

COUNTY OF JEFFERSON, SCT.

I, Chester A. Hines, do solemnly swear that I will support the Constitution of the
~~United States and the Constitution of the State of West Virginia.~~

I, Chester A. Hines, do solemnly swear that I will faithfully discharge and
perform the duties of the office of **Councilmember, Ward II, for the City of Charles
Town**, to the best of my skill and judgment, and according to law. So help me God.


Chester A. Hines

the above oath was taken and subscribed by the Honorable Mayor, Peggy A. Smith,
on this 15th day of June, 2009.

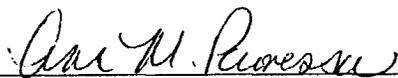

Peggy A. Smith

State of West Virginia,

COUNTY OF JEFFERSON, SCT.

I, **Ann Paonessa**, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, **Ann Paonessa**, do solemnly swear that I will faithfully discharge and perform the duties of the office of **Councilmember Ward III for the City of Charles Town**, to the best of my skill and judgment, and according to law. So help me God.


Ann Paonessa

the above oath was taken and subscribed by Mayor Peggy A. Smith on this 6th day of June, 2011.

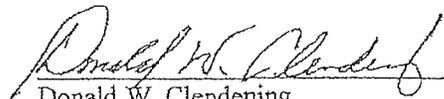

Peggy A. Smith

State of West Virginia,

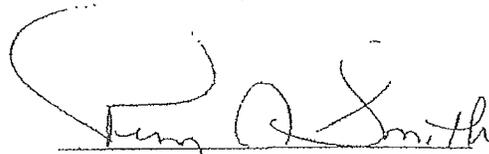
COUNTY OF JEFFERSON, SCT.

I, **Donald W. Clendening**, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, **Donald W. Clendening**, do solemnly swear that I will faithfully discharge and perform the duties of the office of **Councilmember, Ward III, for the City of Charles Town**, to the best of my skill and judgment, and according to law. So help me God.


Donald W. Clendening

the above oath was taken and subscribed by the Honorable Mayor, Peggy A. Smith,
on this 15th day of June, 2009.

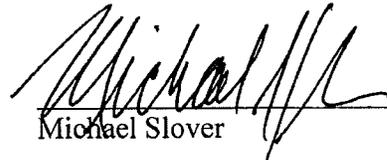

Peggy A. Smith

State of West Virginia,

COUNTY OF JEFFERSON, SCT.

I, **Michael Slover**, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, **Michael Slover**, do solemnly swear that I will faithfully discharge and perform the duties of the office of **Councilmember Ward IV for the City of Charles Town**, to the best of my skill and judgment, and according to law. So help me God.


Michael Slover

the above oath was taken and subscribed by Mayor, Peggy A. Smith on this 6th day of June, 2011.

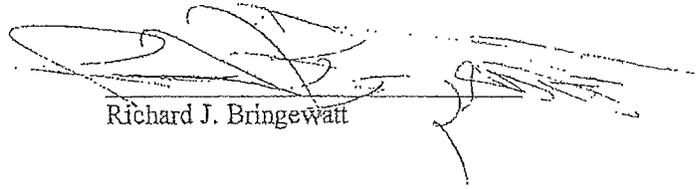

Peggy A. Smith, Mayor

State of West Virginia,

COUNTY OF JEFFERSON, SCT.

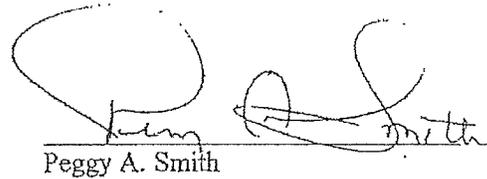
I, Richard J. Bringewatt, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, Richard J. Bringewatt, do solemnly swear that I will faithfully discharge and perform the duties of the office of **Councilmember, Ward IV, for the City of Charles Town**, to the best of my skill and judgment, and according to law. So help me God.



Richard J. Bringewatt

the above oath was taken and subscribed by the Honorable Mayor, Peggy A. Smith, on this 15th day of June, 2009.



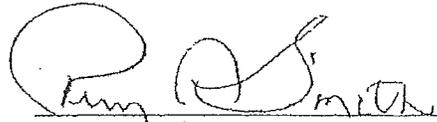
Peggy A. Smith

State of West Virginia,

COUNTY OF JEFFERSON, SCT.

I, **Peggy A. Smith**, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, **Peggy A. Smith**, do solemnly swear that I will faithfully discharge and
~~perform the duties of the position of Mayor for the City of Charles Town,~~
to the best of my skill and judgment, and according to law. So help me God.


Peggy A. Smith

The above oath was taken and subscribed before Joseph L. Cosentini, Clerk for the City of Charles Town, on this 15th day of June, 2009


Joseph L. Cosentini, City Clerk



City of Charles Town

101 East Washington Street, P.O. Box 14, Charles Town, WV 25414
Phone: (304) 725-2311 ♦ Fax: (304) 725-1014 ♦ Web: www.charlestownwv.us

AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART NINE, STREETS, UTILITIES & PUBLIC SERVICES, CHAPTER THREE, UTILITIES, ARTICLE 925, WATER SERVICE RATES.

MAYOR

Peggy A. Smith

CITY COUNCIL

Donald Clendening

MaryLois Gannon-Miller

Ruth McDaniel

Sandra Slusber McDonald

Ann Paonessa

Ann Schmitt

Michael Slover

Geraldine Willingham

CITY MANAGER

Jeremy Camp (Acting)

CITY CLERK

Joe Cosentini

BE IT ORDAINED by the City Council of the City of Charles Town as follows:
That Article 925, Water Rates, Section 925.01, Water Service Rates, be **AMENDED** as follows:

925.01 WATER SERVICE RATES.

USE OF WATER METERS; PROVISION FOR FLAT RATE

For the payment of the proper and reasonable expense of operation, repair, replacements, improvements, additions, betterments, extension and maintenance of the water system and for the payment of the sums required to pay the principal and interest on all water revenue bonds as the same become due, there is hereby established a schedule of just and equitable rates, charges and penalties for the use of and services rendered by the municipal water system and works of the City of Charles Town, West Virginia, which schedule, based upon the metered amount of water supplied to the premises, where possible, but providing for a flat rate when no meter is available, shall be as follows:

APPLICABILITY (SCHEDULE I)

Applicable to entire area served.

AVAILABILITY

Available for general domestic, commercial and industrial service.

RATES

First	10,000 gallons used per month	\$8.23 per 1,000 gallons
Next	30,000 gallons used per month	7.00 per 1,000 gallons
Over	40,000 gallons used per month	5.53 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than the following amounts, according to the size of the meter installed, to-wit:

5/8" or 5/8" x 3/4"	Meter	\$20.58 per month
3/4"	Meter	30.87 per month
1"	Meter	51.45 per month
1-1/2"	Meter	102.90 per month
2"	Meter	164.64 per month
3"	Meter	308.70 per month
4"	Meter	514.50 per month
6"	Meter	1029.00 per month

FLAT RATE

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COMMISSION
SECRETARY'S OFFICE

For domestic, commercial or industrial customers - \$37.04 for 4,500 gallons per month.

MULTIPLE OCCUPANCY

In apartment buildings, shopping centers or other multiple occupancy buildings, each unit shall be required to pay not less than the minimum monthly charge provided above.

CONNECTION CHARGE

A service connection charge of \$350.00 shall be paid for all new service connections.

DISCONNECT FOR NONPAYMENT

Whenever water service has been discontinued for nonpayment of sewer bills, a disconnection fee of \$10.00 shall be charged.

RECONNECTION SERVICE CHARGE

Whenever water service which has been previously disconnected or otherwise withheld for nonpayment of sewer bills is reconnected, a fee of \$10.00 shall be charged.

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days, a ten percent (10%) charge shall be added to the net current amount unpaid. The delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

SECURITY DEPOSIT

The security deposit for water service shall be \$36.50.

RATES FOR FIRE PROTECTION - PUBLIC

Fire Hydrants, each	\$72.00 per annum
Sprinkler Heads, each	0.20 per annum

RATES FOR FIRE PROTECTION - PRIVATE

Fire Hydrants, each	\$72.00 per annum
Sprinkler Heads, each	0.20 per annum

(SCHEDULE II)

CAPACITY IMPROVEMENT CAPITAL COST FEE

Capacity Improvement Capital Cost Fee from the date of this tariff:
In addition to all the fees provided above, there shall be paid to the City at the time the application is made for connection of an unserved facility to the water system a capacity improvement capital cost fee of \$2,576.00 for each residential connection. Connections for nonresidential use shall be paid in accordance with a residential usage equivalent schedule set forth hereinafter. The funds collected from the capacity improvement capital cost fee shall be maintained in a separate fund by the Water System and shall be used only for the purpose of improving the water system treatment, storage and transmission facilities. These charges shall also be paid by customers of the water system who resell water supplied by the City to its customers in the same amount as if those connected to the resale customer system were to become direct customers of the City. The residential usage equivalent for other than single family residential units for the capacity improvement capital cost fee are as follows:

RESIDENTIAL USAGE EQUIVALENTS
FOR CAPACITY IMPROVEMENT CAPITAL COST FEE

<u>UNIT</u>	<u>GALLONS/DAY</u>	<u>RESIDENTIAL USAGE EQUIVALENT</u>
Single Family unit	150	1.0
Apartments	150/unit	1.0/unit
Bed and Breakfast	150	1.0
Bowling Alleys	200/alley	1.33/alley
Churches		
with kitchens	8/member	0.05/member
w/o kitchen	2/member	0.013/member
Food Service	32/seat	0.213/seat
Fast Food Restaurant	35/seat	0.23/seat
Bar & Cocktail Lounge	2/patron	0.013/patron
Tavern-Little or no food	20/seat	0.132/per seat
Hotel	120/room	0.8/per room
Industry	15/person/shift	0.1/person per shift
Institutions		
Hospitals	250/bed	1.67/bed
Nursing Homes	150/bed	1.0/bed
Others	75/person	0.5/person
Office Buildings	15/person	0.1/person
Laundry Self Service	250/washer	1.67/washer
Mobile Home Park	150/unit space	1.0/unit space
Motels	120/room	0.8/room
Retail Stores	400/toilet room	2.67/toilet room
Residence	150/residence	1.0/residence
School:		
Day, no cafeteria/showers	15/pupil	0.1/pupil
Day with cafeteria	18/pupil	0.12/pupil
Day with cafeteria/showers	20/pupil	0.133/pupil
Boarding	75/pupil	0.5/pupil

Service Station	500/set of pumps	3.33/set of pumps
Shopping Centers	16/100 ft. of sales area	0.12/100 ft. of sales area
Swimming Pools	10/swimmer design capacity	0.067/swimmer design capacity
Theatre	3/seat	0.02/seat
Warehouse	15/employees	0.1/employee

If a unit does not appear on this schedule the water department shall determine its Residential Usage Equivalent in consultation with its consulting engineer.

EFFECTIVE DATE

The rates and charges provided herein shall become effective forty-five (45) days after final enactment hereof.

SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

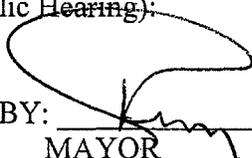
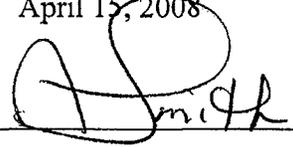
The provisions of this Ordinance are separable, and if any clause, provision or section hereof shall be held void or unenforceable by the West Virginia Public Service Commission or any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed, and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Clerk shall cause to be published a copy of this Ordinance once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) days between each publication, in the Spirit of Jefferson Advocate and The Shepherdstown Chronicle, being two qualified newspapers of general circulation in the City of Charles Town, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council Chambers, Charles Town, West Virginia, on April 15, 2008, at 7:00 p.m., which date is not less than ten days after the date of the first publication of the Ordinance and notice, and present any comment or protest thereto, following which hearing, Council shall take such action as it shall deem proper. Copies of this Ordinance shall be available to the public for inspection at the office of the City Clerk, Charles Town, West Virginia.

Passed on First Reading: March 17, 2008

Passed on Second Reading
(following Public Hearing): April 15, 2008

BY:  
MAYOR

CERTIFICATION AND NOTICE

I hereby certify that the foregoing is a true and accurate copy of an Ordinance which has been introduced and adopted on first reading at a meeting of the City Council of the City of Charles Town held on March 3, 2008, pursuant to proper notice, at which meeting a quorum was present and acting throughout. Any person interested may appear before the City Council of the City of Charles Town at the City Hall, 101 E. Washington Street, Charles Town, West Virginia, on April 15, 2008, at 7:00 p.m., being the date, time and place of the proposed final adoption of this Ordinance, and be heard. The Council will then take such action as it shall deem proper in the premises. The proposed ordinance may be inspected by the public at the Office of the Clerk in the City Hall, Charles Town, West Virginia during regular office hours.

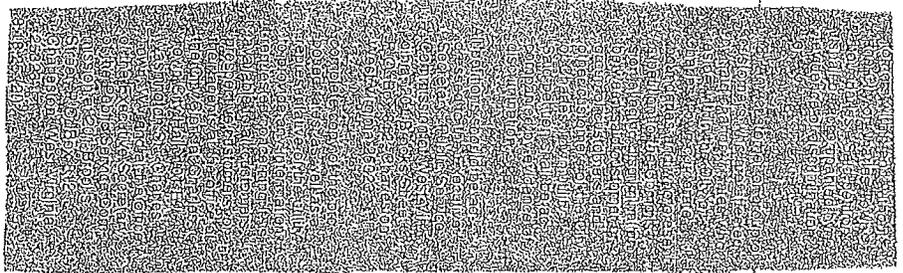
BY: 
CITY CLERK

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W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE





City of Charles Town

101 East Washington Street, P.O. Box 14, Charles Town, WV 25414
Phone: (304) 725-2311 • Fax: (304) 725-1014 ♦ Web: www.charlestownwv.us

AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO CHAPTER THREE, STREETS, UTILITIES & PUBLIC SERVICES, ARTICLE 921 SEWERS

MAYOR

Peggy A. Smith

BE IT ORDAINED by the City Council of the City of Charles Town as follows:

That Section 921.16, Sewer Service Rates be AMENDED as follows:

CITY COUNCIL

Rich Bringswatt

Donald Clendening

Maryl Lois Gannon-Miller

Chet Hines

Ruth McDaniel

Sandra Shuster McDonald

Ann Paonessa

Michael Sloner

a) Establishment. For the payment of the proper and reasonable expense of operation, repair, replacement, improvements, additions, betterments, extensions, and maintenance of the sewer system and for the payment of the sums required to pay the principal and interest of all sewer revenue bonds as the same become due, there is hereby established a schedule of just and equitable rates or charges for the use of and services rendered by the Municipal sewer system and works of the City of Charles Town, West Virginia, which schedule of rates or charges, based upon the metered amount of water supplied the premises, where possible, but providing for a flat rate when no meter is available, shall be as follows.

(b) Rules and Regulations. Rules and Regulations for the government of sewerage utilities adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by the Commission are hereby adopted by reference.

ESTABLISHMENT OF A SCHEDULE OF JUST AND EQUITABLE RATES OR CHARGES FOR SEWER SERVICE: USE OF WATER METERS: PROVISION FOR FLAT RATE

CITY MANAGER

Gary Rawlings

CITY CLERK

Joe Cosentini

For the payment of the proper and reasonable expense of operation, repair, replacement, improvements, additions, betterments, extensions and maintenance of the sewer system and for the payment of the sums required to pay the principal and interest of all sewer revenue bonds as the same become due, there is hereby established a schedule of just and equitable rates or charges for the use of and services rendered by the Municipal sewer system and works of the City of Charles Town, West Virginia, which schedule of rates or charges, based upon the metered amount of water supplied to the premises, where possible, but providing for a flat rate when no meter is available, shall be as follows:

I. Rules and Regulations for the Government of Sewerage Utilities adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereafter made by the Commission are hereby adopted by reference.

II. MULTIPLE OCCUPANCY

In apartment buildings, shopping centers or other multiple occupancy buildings, each unit shall be required to pay not less than the minimum monthly charge provided above.

SCHEDULE I

APPLICABILITY

Applicable within the entire territory served excluding the entire area know as the Huntfield subdivision.

AVAILAILITY

Available for general domestic, commercial and industrial service and sale for resale sewer service

RATES (Customers with a metered water supply)

First	2,000 gallons used per month	\$7.96 per 1,000 gallons
Next	8,000 gallons used per month	5.73 per 1,000 gallons
Next	20,000 gallons used per month	5.20 per 1,000 gallons
All over	30,000 gallons used per month	4.61 per 1,000 gallons

MINIMUM CHARGE

No bill shall be rendered for less than \$15.92 per month, which is the equivalent of 2,000 gallons.

FLAT RATE CHARGE (Customers with non-metered water supply)

Equivalent of 4,500 gallons of water usage, \$30.25 per month

RESALE RATE

\$3.71 per 1,000 gallons per month

RESALE CREDIT (Applicable only to Jefferson County Public Service District)

A monthly credit of \$3,451 per month will be credited against the respective bill rendered to Jefferson County Public Service District for debt incurred by the District as part of the 2000 Charles Town Treatment Plant upgrade. This credit will remain in effect until the indebtedness associated with the respective upgrade is satisfied (Matures 2031).

TRANSPORTATION CREDIT (Applicable only to Jefferson County Public Service District)

A monthly credit of \$1,009 per month will be credited against the respective bill rendered to Jefferson County Public Service District for reimbursement of fixed debt associated with lift stations needed to transport Charles Town's sewage from the former Sanitary Associates service area. The credit will be given until the indebtedness is satisfied. In addition to the monthly credit of \$1,009, a transportation credit of \$1.65 per thousand gallons shall be provided to the Jefferson County Public Service District for all flows from the former Sanitary Associates area.

DELAYED PAYMENT PENALTY

The above scheduled is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

The following charge is to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of \$400.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

If a check is returned by the bank for any reason, the bank's charge to the Utility shall be the Utility's charge to the customer for such a bad check, but such charge to customers shall not exceed \$25.00.

LEAK ADJUSTMENT

\$0.81 per 1,000 gallons of water is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

SECURITY DEPOSIT

A deposit of \$50.00 or 2/12 of the average annual usage of the applicant's specific customer class, whichever is greater.

SCHEDULE II

APPLICABILITY

Applicable within the entire territory known as the Huntfield subdivision

AVAILABILITY

Available for general domestic, commercial, and industrial service

RATES (customers with a metered water supply)

\$11.50 per thousand gallons of metered water usage

MINIMUM CHARGE

No bill will be rendered for less than \$26.98 per month.

The above minimum charge is subject to an additional \$0.71 per thousand gallons per month.

FLAT RATE CHARGE (Customers with non-metered water supply)

Equivalent of 4,500 gallons of water usage, \$51.75 per month

MULTIPLE OCCUPANCY

For unmetered trailer parks, the monthly charge for services shall be equal to the number of units multiplied by the unmetered charge provided above.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the new current amount unpaid. This delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

TAP FEE

The following charges are to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of \$250.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

DISCONNECT – RECONNECT FEES

Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with the City of Charles Town, a disconnect fee of \$10.00 shall be charged. Whenever water service has been disconnected

for non-payment of sewer bills in conjunction with a water service termination agreement with Jefferson Utilities, Inc., a disconnection fee of \$20.00 shall be charged.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with the City of Charles Town is reconnected, a reconnection fee of \$10.00 shall be charged. Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with Jefferson Utilities, Inc. is reconnected, a reconnection fee of \$20.00 shall be charged.

LEAK ADJUSTMENT INCREMENT

\$3.01 per M. gallon is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the sewer utility up to a maximum of \$25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank due to insufficient funds.

SCHEDULE III

APPLICABILITY

Applicable to Developers, which is defined as a person, corporation or entity who is in the business of land and/or commercial or housing development for profit, or a person, corporation, or entity who requests an alternate main line extension that includes the installation of mains by the person, corporation or entity. Applicable to non-Developers when the property at issue is a subdivided portion of a Previously Developed Tract. The term "Previously Developed Tract" as used in this Order is defined as property previously subdivided for commercial or housing development, for profit. Owners of existing or new (being constructed) single-family structures, where the person applying for service will be the customer of record, and the proposed service location is not part of a Previously Developed Tract, shall be exempt from payment of the Capital Capacity Improvement Fee.

CAPITAL CAPACITY IMPROVEMENT FEE

There shall be paid to the City at the time of issuance by the City of a final sewer availability letter for the property to be served a capital capacity improvement fee of \$5,500 for each residential connection. Connections for non-residential use shall be paid in accordance with a residential usage equivalent schedule set forth below. The funds collected from the capital capacity improvement fee shall be maintained in a separate fund administered jointly by the City, Jefferson County PSD and the City of Ranson or their designees and shall be used only for the purpose of improving the City's treatment facilities. An exemption will be granted upon certification of a defined Affordable Housing unit as fully described in the City of Charles Town Resolution 2006-08.

ADDITIONAL CAPACITY IMPROVEMENT FEE - HUNTFIELD PUMP STATION

There shall be paid to the City at the time of issuance by the City of a final sewer availability letter for any development using the Huntfield pump station an additional capacity improvement fee - Huntfield pump station of \$2,875.00 for each equivalent dwelling unit. The funds collected from the capacity improvement fee shall be maintained in a separate fund administered by the City and shall be used only for the purpose of expanding the Huntfield pump station. All properties within the originally annexed acreage of the Huntfield subdivision, as described by the annexation of additional territory of the City of Charles Town pursuant to West Virginia Code 8-6-4 order by the County Commission of Jefferson County dated January 10, 2002, shall be exempt from this fee.

The usage equivalent for other than single family residential units for the capital capacity improvement fee and additional capacity improvement fee – Huntfield pump station shall be based upon the following:

**RESIDENTIAL USAGE EQUIVALENTS
FOR CAPACITY IMPROVEMENT CAPITAL COST FEE**

<u>UNIT</u>	<u>WATER GALLONS/DAY</u>	<u>RESIDENTIAL USAGE EQUIVALENT</u>
Apartments	150/unit	1.0/unit
Bowling Alleys	200/alley	1.33/alley
Churches with kitchen	8/member	0.05/member
Churches w/o kitchen	2/member	0.013/member
Food Service	32/seat	0.213/seat
Fast Food Restaurant	35/seat	0.23/seat
Bar & Cocktail Lounge (additive)	2/patron	0.013/patron
Tavern-Little or no food	20/seat	0.132/per seat
Hotel	120/room	0.8/per room
Industry, sanitary	15/person/shift	0.1/person per shift
<u>Institutions:</u>		
Hospital	250/bed	1.67/bed
Nursing Homes	150/bed	1.0/bed
Others	75/person	0.5/person
Office Buildings	15/person	0.1/person
Laundry Self Service	250/washer	1.67/washer
Motels	120/room	0.8/room
Retail Stores	400/toilet room	2.67/toilet room
Residence	150/residence	1.0/residence
<u>School:</u>		
Day, no cafeteria/showers	15/pupil	0.1/pupil
Day with cafeteria	18/pupil	0.12/pupil
Day with cafeteria/showers	20/pupil	0.133/pupil
Boarding	75/pupil	0.5/pupil
Service Station	500/set of pumps	3.33/set of pumps
Shopping Centers	16/100 ft. of sales area	0.12/100 ft. of sales area
Swimming Pools	10/swimmer design capacity	0.067/swimmer design capacity
Capacity Theaters	3/seat	0.02/seat
Warehouse	15/employee	0.1/employee

If a unit does not appear on this schedule the sewer department shall determine Residential Usage Equivalent in consultation with its consulting engineer.

EFFECTIVE DATE

The rates and charges provided herein shall become effective forty-five (45) days after final enactment hereof.

SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section hereof shall be held void or unenforceable by the West Virginia Public Service Commission or any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in

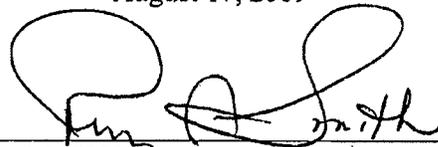
conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed, and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Clerk shall cause to be published a copy of this Ordinance once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) days between each publication, in the Spirit of Jefferson Advocate and The Shepherdstown Chronicle, being two qualified newspapers of general circulation in the City of Charles Town, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council Chambers, Charles Town, West Virginia, on August 17, 2009, at 7:00 p.m., which date is not less than ten days after the date of the first publication of the Ordinance and notice, and present any comment or protest thereto, following which hearing, Council shall take such action as it shall deem proper. Copies of this Ordinance shall be available to the public for inspection at the office of the City Clerk, Charles Town, West Virginia.

Passed on First Reading: July 20, 2009

Passed on Second Reading
(following Public Hearing): August 17, 2009

BY: 
MAYOR

CERTIFICATION AND NOTICE

I hereby certify that the foregoing is a true and accurate copy of an Ordinance which has been introduced and adopted on first reading at a meeting of the City Council of the City of Charles Town held on July 20, 2009, pursuant to proper notice, at which meeting a quorum was present and acting throughout. Any person interested may appear before the City Council of the City of Charles Town at the City Hall, 101 E. Washington Street, Charles Town, West Virginia, on August 17, 2009 at 7:00 p.m., being the date, time and place of the proposed final adoption of this Ordinance, and be heard. The Council will then take such action as it shall deem proper in the premises. The proposed ordinance may be inspected by the public at the Office of the Clerk in the City Hall, Charles Town, West Virginia during regular office hours.

BY: 
CITY CLERK



City of Charles Town

101 East Washington Street, P.O. Box 14, Charles Town, WV 25414
Phone: (304) 725-2311 ♦ Fax: (304) 725-1014 ♦ Web: www.charlestownwv.us

June 3, 2008

MAYOR

Peggy A. Smith

Ms. Sandra Squire, Executive Secretary
Public Service Commission of West Virginia
Post Office Box 812
Charleston, WV 25323

CITY
COUNCIL

*Donald
Clendening*

*MaryLois
Gannon-Miller*

*Ruth
McDaniel*

*Sandra
Slusber
McDonald*

*Ann
Paonessa*

*Amy
Schmitt*

*Michael
Stover*

*Geraldine
Willingham*

Dear Ms. Squire,

ORDW Charles town 08A

The City of Charles Town (the "City") adopted a new water rate ordinance on April 15, 2008. In compliance with the procedural rules of the Public Service Commission for municipal rate change, I am now submitting the affidavit of publication of the Class II legal advertisement of the Pre-Adoption Notice and Notice of Final Adoption that conforms with the Municipal Rate Change Rules and an affidavit of posting of Tariff form #12.

Thank you for your attention to this matter. Please call me if you have any questions or need any other information.

Sincerely,


Joe Cosentini
City Clerk, City of Charles Town

Enclosures

CITY
MANAGER
(Vacant)

CITY CLERK
*Joe
Cosentini*

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COMMISSION
SECRETARY'S OFFICE

ISHED IN THE
JEFFERSON
ADVOCATE ON
DAY, April 24, 2008
AY 1, 2008 AND THE
SHEPHERDSTOWN
CHRONICLE ON FRIDAY,
April 25, 2008 and May 2,
2008]

**PUBLIC NOTICE OF
CHANGE IN WATER RATES
OF CITY OF CHARLES
TOWN**

NOTICE is hereby given that City of Charles Town (the "City") on April 15, 2008, has adopted an ordinance increasing the Water Rates for the City of Charles Town water system.

The proposed increase will become effective on May 30, 2008, unless otherwise ordered by the Public Service Commission (the "Commission") and will produce approximately \$567,197.00 annually in revenue, an increase of 23.46%. The increased rates will be as follows:

\$ INCREASE INCREASE %

\$ INCREASE	INCREASE %
Residential	
\$379,356.00	23.46%
Commercial	
\$186,638.00	23.46%
Industrial	
\$ 1203.00	23.46%

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average.

Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The Commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates or charges, by:

(1) Any customer aggrieved by the changed rates or charges who presents to the Commission a petition signed by not less than twenty-five percent of the customers served by City of Charles Town operated utility; or

(2) Any customer who is served by City of Charles Town utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a Petition alleging discrimination between customers within and without the City of Charles Town boundaries. Said petition shall be accompanied by evidence of discrimination; or

(3) Any customer or group of customers who are affected by said change in rates who reside within the City of Charles Town corporate boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the City of Charles Town utility. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

A complete copy of the proposed rates, as well as a representative of the utility to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at the office of the City Clerk at Charles Town City Hall, 101 E. Washington St., Charles Town, WV and at the office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

4:25:5:2

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SECRETARY'S OFFICE
COMMISSION
WVA PUBLIC SERVICE

2008 JUN 5 AM 8 53

RECEIVED

Certificate of Publication

This is to certify the annexed advertisement
City of Charles Town

Public Notice

appeared for 2 consecutive days/weeks
in The Shepherdstown Chronicle, a news-
paper published in the City of Shepherdstown,
WV in its issue beginning:

4-25-08

and ending

5-2-08

The Shepherdstown Chronicle

P.O. Box 2088
Shepherdstown, WV 25443-2088

Fee\$ 130.57

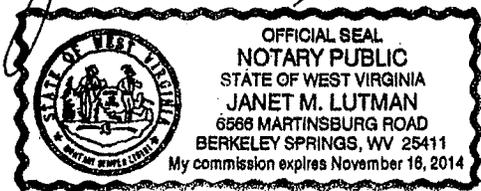
THE STATE OF WEST VIRGINIA
COUNTY OF JEFFERSON

The foregoing instrument was acknowledged
before me this 5-12-08 by

B. Hackley

My commission expires Nov 16, 2014

Janet M. Lutman
Notary Public



Certificate of Publication
JEFFERSON PUBLISHING COMPANY, INC., Publisher
SPIRIT OF JEFFERSON ADVOCATE

Charles Town, W. Va. March 27, 2008 20

I hereby certify that the annexed Notice of Public Hearing

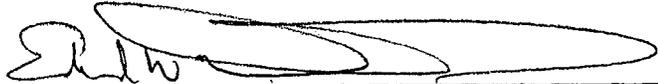
in the case of Water Rate Ordinance

has been published once a week for two successive weeks, in the Spirit of Jefferson

Advocate, a newspaper published in Charles Town, Jefferson County, West Virginia, in the issues of

March 27 and April 3, 2008, 20

as required by law.



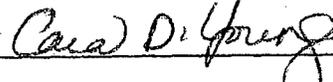
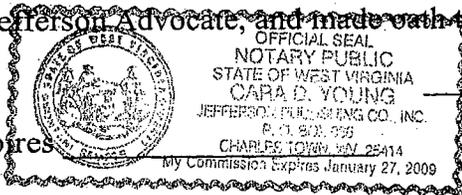
Editor/Manager, Spirit of Jefferson Advocate

State of West Virginia

County of Jefferson

Personally appeared before me, Edward W. Dockeney, Jr., Editor/Manager

of the Spirit of Jefferson Advocate, and made oath that the above certificate is true and correct.



Notary Public

Commission expires

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2008 JUN 5 PM 8 53
W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

OF PUBLIC HEARING

TOWN WATER RATE ORDINANCE

will be held on Tuesday, April 15, 2008, at 7:00
ing ordinance which has been introduced on
Any person interested may appear before the
the City of Charles Town at the Charles Town City
Washington Street, Charles Town, WV and present
it or protest thereto. Following which hearing Coun-
take such action as it shall deem proper.

**ADDITION TO THE CODIFIED CODES OF THE CITY OF
CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART
I. STREETS, UTILITIES & PUBLIC SERVICES, CHAPTER
THREE, UTILITIES, ARTICLE 925, WATER SERVICE RATES.
BE IT ORDAINED by the City Council of the City of Charles
Town as follows:**

That Article 925, Water Rates, Section 925.01, Water Service
Rates, be AMENDED as follows:

925.01. WATER SERVICE RATES.

USE OF WATER METERS; PROVISION FOR FLAT RATE

For the payment of the proper and reasonable expense of opera-
tion, repair, replacements, improvements, additions, betterments,
extension and maintenance of the water system and for the pay-
ment of the sums required to pay the principal and interest on all
water revenue bonds as the same become due, there is hereby es-
tablished a schedule of just and equitable rates, charges and pen-
alties for the use of and services rendered by the municipal wa-
ter system and works of the City of Charles Town, West Virginia,
which schedule, based upon the metered amount of water sup-
plied to the premises, where possible, but providing for a flat rate
when no meter is available, shall be as follows:

APPLICABILITY (SCHEDULE I)

Applicable to entire area served.

AVAILABILITY

Available for general domestic, commercial and industrial ser-
vice.

RATES

First 10,000 gallons used per month \$8.23 per 1,000 gallons
Next 30,000 gallons used per month 7.00 per 1,000 gallons
Over 40,000 gallons used per month 5.53 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than the following amounts, ac-
cording to the size of the meter installed, to-wit:

5/8" or 5/8" x 3/4"	Meter	\$20.58 per month
3/4"	Meter	30.87 per month
1"	Meter	51.45 per month
1-1/2"	Meter	102.90 per month
2"	Meter	164.64 per month
3"	Meter	308.70 per month
4"	Meter	514.50 per month

For other than single family residential units for the capacity
improvement capital cost fee area as follows:

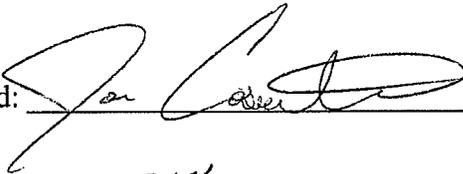
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COMMUNICATIONS
SECRETARY'S OFFICE

**AFFIDAVIT OF PUBLIC NOTICE
BY POSTING/ADVERTISING**

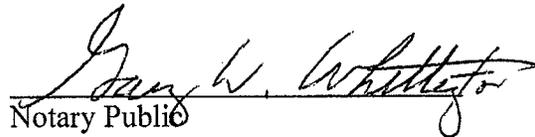
**State of West Virginia
County of Jefferson, to wit:**

I, Joseph Cosentini, being first duly sworn upon my oath, do depose and say that I am the City Clerk for the City of Charles Town, and that I have been duly authorized by the City Council to execute this affidavit of public notice by posting.

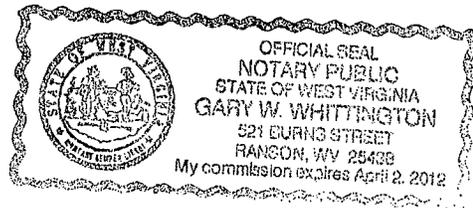
The attached public notice, substantially in the format of Tariff Form No. 12 of the Public Service Commission of West Virginia's Rules for the Construction and Filing of Tariffs, 150 C. S.R. 2, and as required by 150 C.S.R. 2.22.1.c.4., was first posted in a conspicuous place on the premises where the City conducts its utility business with the public on April 16, 2008 and remained posted until June 2, 2008.

Signed: 

Taken, subscribed and sworn to before me in said county this 3rd day of June, 2008.


Notary Public

My commission expires 4-2-2012.



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COMMISSION
SECRETARY'S OFFICE

(S)

Certificate of Publication

JEFFERSON PUBLISHING COMPANY, INC., Publisher
SPIRIT OF JEFFERSON ADVOCATE

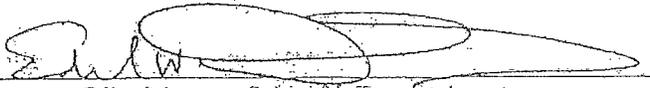
Charles Town, W. Va. November 19, 2009 20

I hereby certify that the annexed Notice

in the case of Amendment to Codified Codes of City of Charle STown; Chapter Three

has been published once a week for two successive weeks, in the Spirit of Jefferson Advocate, a newspaper published in Charles Town, Jefferson County, West Virginia, in the issues of November 19 and November 26, 2009, 20

as required by law.

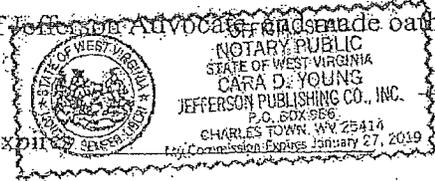


Editor/Manager, Spirit of Jefferson Advocate

State of West Virginia
County of Jefferson

Personally appeared before me, Edward W. Dockeney, Jr., Editor/Manager

of the Spirit of Jefferson Advocate, and made oath that the above certificate is true and correct.





Notary Public

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2010 JUN 26 AM 8 22
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COMMISSION
SECRETARY'S OFFICE

AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO CHAPTER THREE, STREETS, UTILITIES & PUBLIC SERVICES, ARTICLE 921 SEWERS

BE IT ORDAINED by the City Council of the City of Charles Town as follows:

That Section 921.18, Sewer Service Rates be AMENDED as follows:

a) Establishment. For the payment of the proper and reasonable expense of operation, repair, replacement, improvements, additions, betterments, extensions, and maintenance of the sewer system and for the payment of the sums required to pay the principal and interest of all sewer revenue bonds as the same become due, there is hereby established a schedule of just and equitable rates or charges for the use of and services rendered by the Municipal sewer system and works of the City of Charles Town, West Virginia, which schedule of rates or charges, based upon the metered amount of water supplied the premises, where possible, but providing for a flat rate when no meter is available, shall be as follows:

(b) Rules and Regulations. Rules and Regulations for the government of sewerage utilities adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by the Commission are hereby adopted by reference.

ESTABLISHMENT OF A SCHEDULE OF JUST AND EQUITABLE RATES OR CHARGES FOR SEWER SERVICE: USE OF WATER METERS: PROVISION FOR FLAT RATE

For the payment of the proper and reasonable expense of operation, repair, replacement, improvements, additions, betterments, extensions and maintenance of the sewer system and for the payment of the sums required to pay the principal and interest of all sewer revenue bonds as the same become due, there is hereby established a schedule of just and equitable rates or charges for the use of and services rendered by the Municipal sewer system and works of the City of Charles Town, West Virginia, which schedule of rates or charges, based upon the metered amount of water supplied to the premises, where possible, but providing for a flat rate when no meter is available, shall be as follows:

I. Rules and Regulations for the Government of Sewerage Utilities adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereafter made by the Commission are hereby adopted by reference.

II. MULTIPLE OCCUPANCY

In apartment buildings, shopping centers or other multiple occupancy buildings, each unit shall be required to pay not less than the minimum monthly charge provided above.

**SCHEDULE I
APPLICABILITY**

Applicable within the entire territory served including the entire area known as the Huntfield subdivision and immediately upon the completion of the Tuscarilla Wastewater Project to a 0.5 MGD facility.

AVAILABILITY

Available for general domestic, commercial and industrial service and sale for resale sewer service.

RATES (Customers with a metered water supply)

First 2,000 gallons used per month	\$12.52 per 1,000 gallons
Next 8,000 gallons used per month	9.02 per 1,000 gallons
Next 20,000 gallons used per month	8.18 per 1,000 gallons
All over 30,000 gallons used per month	7.25 per 1,000 gallons

MINIMUM CHARGE

No bill shall be rendered for less than \$25.05 per month, which is the equivalent of 2,000 gallons.

FLAT RATE CHARGE (Customers with non-metered water supply)

RESALE CREDIT (Applicable only to Jefferson County Public Service District)

A monthly credit of \$3,451 per month will be credited against the respective bill rendered to Jefferson County Public Service District for debt incurred by the District as part of the 2000 Charles Town Treatment Plant upgrade. This credit will remain available until the indebtedness associated with the respective upgrade is satisfied (Matures 2031).

DELAYED PAYMENT PENALTY

The above scheduled is net. On all current bills not paid within twenty (20) days, ten percent (10%) will be added to the net current amount. A delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

The following charge is to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of \$400.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

If a check is returned by the bank for any reason, the bank's charge to the Utility shall be the Utility's charge to the customer for such a bad check, but such charge to customers shall not exceed \$25.00.

LEAK ADJUSTMENT

\$0.81 per 1,000 gallons of water is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

SECURITY DEPOSIT

A deposit of \$50.00 or 2/12 of the average annual usage of the applicant's specific customer class, whichever is greater.

STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Clerk shall cause to be published a copy of this Ordinance once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) days between each publication, in the Spirit of Jefferson Advocate and The Shepherdstown Chronicle, being two qualified newspapers of general circulation in the City of Charles Town, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council Chambers, Charles Town, West Virginia, on December 7, 2009, at 7:00 p.m., which date is not less than ten days after the date of the first publication of the Ordinance and notice, and present any comment or protest thereto, following which hearing, Council shall take such action as it shall deem proper. Copies of this Ordinance shall be available to the public for inspection at the office of the City Clerk, Charles Town, West Virginia.

Passed on First Reading:

October 19, 2009

Passed on Second Reading:

(following Public Hearing):

BY: _____ MAYOR

CERTIFICATION AND NOTICE

I hereby certify that the foregoing is a true and accurate copy of an Ordinance which has been introduced and adopted on first reading at a meeting of the City Council of the City of Charles Town held on October 19, 2009, pursuant to proper notice, at which meeting a quorum was present and acting throughout. Any person interested may appear before the City Council of the City of Charles Town at the City Hall, 101 E. Washington Street, Charles Town, West Virginia, on December 7, 2009 at 7:00 p.m., being the date, time and place of the proposed final adoption of this Ordinance, and be heard. The Council will then take such action as it shall deem proper in the premises. The proposed ordinance may be

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OCT 19 2009
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OFFICE

Certificate of Publication

JEFFERSON PUBLISHING COMPANY, INC., Publisher
SPIRIT OF JEFFERSON ADVOCATE

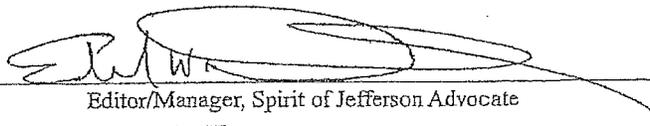
Charles Town, W. Va. December 17, 2009 20

I hereby certify that the annexed Public Notice

in the case of Change in Rates; City of Charles Town

has been published once a week for two successive weeks, in the Spirit of Jefferson Advocate, a newspaper published in Charles Town, Jefferson County, West Virginia, in the issues of December 17 and December 24, 2009, 20 ,

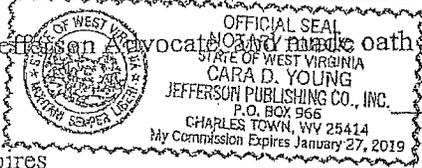
as required by law.

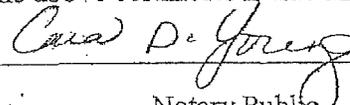

Editor/Manager, Spirit of Jefferson Advocate

State of West Virginia
County of Jefferson

Personally appeared before me, Edward W. Dockenev, Jr., Editor/Manager

of the Spirit of Jefferson Advocate, who made oath that the above certificate is true and correct.




Notary Public

Commission expires

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2010 JUN 26 AM 8 22
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COMMISSION
SECRETARY'S OFFICE

PUBLIC NOTICE OF CHANGE IN RATES BY
THE CITY OF CHARLES TOWN

NOTICE is hereby given that the City of Charles Town (the "City"), has adopted by ordinance on December 7, 2009, a tariff containing increased sewerage rates and charges for furnishing sewerage service to 2,628 customers at Charles Town and vicinity in the County of Jefferson, West Virginia.

The proposed increased rates and charges will become effective upon completion of the Tuscaawilla sewerage system upgrade project, estimated completion date of June 2011, unless otherwise ordered by the Public Service Commission and will produce approximately \$1,175,590 annually in additional revenue, an increase of 57.4%. The average monthly bill for the various classes of customers will be changed as follows:

	(\$)	INCREASE	INCREASE (%)
Residential			
(4,500 gallons)	\$ 17.35		57.4%
Commercial			
(4,500 gallons)	\$ 17.36		57.4%
Resale			
(4,500 gallons)	\$ 9.58		57.4%

Resale customers of the City include Jefferson County Public Service District and the City of Ranson.

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The Commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates or charges, by:

(1) Any customer aggrieved by the changed rates or charges who presents to the Commission a petition by not less than twenty-five percent of the customers served by the City's sewerage system; or

(2) Any customer who is served by the City's sewerage system and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a petition alleging discrimination between customers within and without the City's boundaries. Said petition shall be accompanied by evidence of discrimination; or

(3) Any customer or group of customers who are affected by said change in rates who reside within the City's boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the municipal utility. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

A complete copy of the proposed rates, as well as a representative of the utility to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at the Clerk's Office at the City Hall, Charles Town, West Virginia.

A copy of the proposed rates is available for public inspection at the Office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

By: /s/ Joseph Cosentini
City Clerk

SECRETARY'S OFFICE
COMMISSION
W VA PUBLIC SERVICE

2010 JUN 28 AM 8 23

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12/17/20

Tarif Form 12
PUBLIC NOTICE OF
CHANGE IN RATES BY
THE CITY OF CHARLES
TOWN

NOTICE is hereby given that the City of Charles Town (the "City") has adopted by ordinance on December 7, 2009, a tariff containing increased sewerage rates and charges for furnishing sewerage service to 2,628 customers at Charles Town and vicinity in the County of Jefferson, West Virginia.

The proposed increased rates and charges will become effective upon completion of the Tusculville sewerage system upgrade project, estimated completion date of June 2011, unless otherwise ordered by the Public Service Commission and will produce approximately \$1,175,590 annually in additional revenue, an increase of 57.4%. The average monthly bill for the various classes of customers will be changed as follows:

Residential
(4,500 gallons)
(\$)
INCREASE \$17.35
INCREASE (%) 57.4%

Commercial
(4,500 gallons)
(\$)
INCREASE \$17.35
INCREASE (%) 57.4%

Resale
(4,500 gallons)
(\$)
INCREASE \$9.58
INCREASE (%) 57.4%

57.4%
Resale customers of the City include Jefferson County Public Service District and the City of Ranson.

The increases shown are based on average of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increase or decrease) by the Public Service Commission in its review of this filing. The Commission shall review and approve or modify the increased rates only upon its filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates or charges by:

- (1) Any customer aggrieved by the changed rates or charges who presents to the Commission a petition by not less than twenty-five percent of the customers served by the City's sewerage system; or
- (2) Any customer who is served by the City's sewerage system and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a petition alleging discrimination between customers within and without the City's boundaries. Said petition shall be accompanied by evidence of discrimination; or
- (3) Any customer or group of customers who are affected by said change in rates who reside within the City's boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the municipal utility. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street,

P.O. Box 812, Charleston, West Virginia 25329

A complete copy of the proposed rates, as well as a representative of the utility to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at the Clerk's Office at the City Hall, Charles Town, West Virginia.

A copy of the proposed rates is available for public inspection at the Office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25329.

By: Joseph Cocorini
City Clerk

12-18, 25 (2)

Certificate of Publication

This is to certify the annexed advertisement

Steptoe & Johnson
Public Notice

appeared for 2 consecutive days/weeks

in the Shepherdstown Chronicle, a newspaper

published in the City of Shepherdstown, WV

in its issue beginning:

12-17-09

and ending:

12-24-09

The Shepherdstown

Chronicle

P.O. Box 2088

Shepherdstown, WV 25443-2088

Fee \$ 160.20

THE STATE OF WEST VIRGINIA

COUNTY OF JEFFERSON

The foregoing instrument was acknowledged before me

this Dec 28, 09 by

Jo B. Alt

My commission expires Apr 29, 2018

Notary Public *Carol Bush*



OFFICIAL SEAL
STATE OF WEST VIRGINIA
NOTARY PUBLIC
Carol Bush
23 Armstrong Way
Martinsburg, WV 25403

My Commission Expires April 29, 2018

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2010 JAN 26 PM 8 23
PUBLIC SERVICE COMMISSION

ertificate of Publication
JEFFERSON PUBLISHING COMPANY, INC., Publisher
SPIRIT OF JEFFERSON ADVOCATE

Charles Town, W. Va. March 27, 2008 20

I hereby certify that the annexed Notice of Public Hearing

in the case of Water Rate Ordinance

has been published once a week for two successive weeks, in the Spirit of Jefferson

Advocate, a newspaper published in Charles Town, Jefferson County, West Virginia, in the issues of

March 27 and April 3, 2008, 20

as required by law.



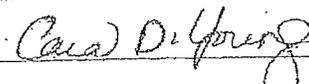
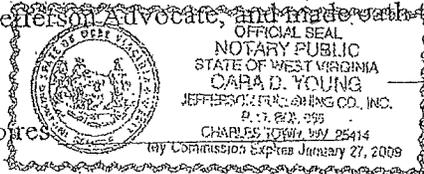
Editor/Manager, Spirit of Jefferson Advocate

State of West Virginia
County of Jefferson

Personally appeared before me, Edward W. Dockeney, Jr., Editor/Manager

of the Spirit of Jefferson Advocate, and made oath that the above certificate is true and correct.

Commission expires



Notary Public

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2008 JUN 5 AM 8 53
WVA PUBLIC SERVICE
COMMISSION
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2008
water

SHEPHERDSTOWN CHRONICLE IN THE JEFFERSON ADVOCATE ON FRIDAY, April 24, 2008 AND THE SHEPHERDSTOWN CHRONICLE ON FRIDAY, April 25, 2008 and May 2, 2008.

PUBLIC NOTICE OF CHANGE IN WATER RATES OF CITY OF CHARLES TOWN

NOTICE is hereby given that City of Charles Town (the City) on April 15, 2008, has adopted an ordinance increasing the Water Rates for the City of Charles Town water system. The proposed increase will become effective on May 30, 2008, unless otherwise ordered by the Public Service Commission (the Commission) and will produce approximately \$567,197.00 annually in revenue; an increase of 23.46%. The increased rates will be as follows:

	INCREASE	INCREASE %
Residential	\$ 79,350.00	23.46%
Commercial	\$ 186,888.00	23.46%
Industrial	\$ 120,959.00	23.46%

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average.

Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The Commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates or charges, by:

- (1) Any customer aggrieved by the changed rates or charges who presents to the Commission a petition signed by not less than twenty-five percent of the customers served by City of Charles Town operated utility; or
- (2) Any customer who is served by City of Charles Town utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a Petition alleging discrimination between customers within and without the City of Charles Town boundaries. Said petition shall be accompanied by evidence of discrimination; or

- (3) Any customer or group of customers who are affected by said change in rates who reside within the City of Charles Town corporate boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the City of Charles Town utility. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

A complete copy of the proposed rates, as well as a representative of the utility to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at the office of the City Clerk at Charles Town City Hall, 101 E. Washington St., Charles Town, WV and at the office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

Certificate of Publication

This is to certify the annexed advertisement
City of Charles Town

Public Notice

appeared for 2 consecutive days/weeks in The Shepherdstown Chronicle, a newspaper published in the City of Shepherdstown, WV in its issue beginning:

4-25-08

and ending

5-2-08

The Shepherdstown Chronicle

P.O. Box 2088
Shepherdstown, WV 25443-2088

Fee\$ 130.57

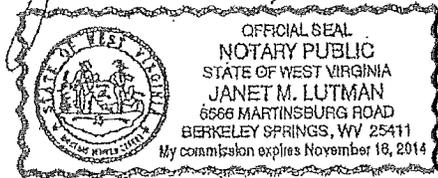
THE STATE OF WEST VIRGINIA
COUNTY OF JEFFERSON

The foregoing instrument was acknowledged before me this 5-12-08 by

B. Kackley

My commission expires Apr 16, 2014

Janet M. Lutman
Notary Public



4-25-08 2(0)
SECRETARY'S OFFICE
COMMISSION
WVA PUBLIC SERVICE

2008 JUN 5 AM 8 53

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Certificate of Publication

JEFFERSON PUBLISHING COMPANY, INC., Publisher

SPIRIT OF JEFFERSON ADVOCATE

Charles Town, W. Va. July 30, 2009 20

I hereby certify that the annexed Sewer Rate Notice

in the case of Amendment to Codified Codes of Charles Town; w/ Regard to Chapter 3, Streets

Utilities and Public Services; Article 921 Sewers

has been published once a week for two successive weeks, in the Spirit of Jefferson

Advocate, a newspaper published in Charles Town, Jefferson County, West Virginia, in the issues of

July 30 and August 6, 2009, 20 ,

as required by law.


Editor/Manager, Spirit of Jefferson Advocate

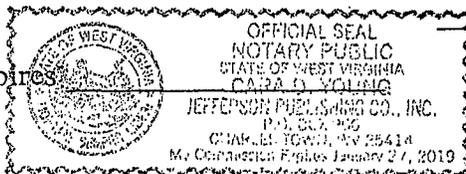
State of West Virginia

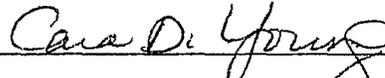
County of Jefferson

Personally appeared before me, Edward W. Dockeney, Jr., Editor/Manager

of the Spirit of Jefferson Advocate, and made oath that the above certificate is true and correct.

Commission expires




Notary Public

LEGAL NOTICES

AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO CHAPTER THREE, STREETS, UTILITIES & PUBLIC SERVICES, ARTICLE 921 SEWERS

BE IT ORDAINED by the City Council of the City of Charles Town as follows:
That Section 921.16, Sewer Service Rates be AMENDED as follows:

a) Establishment. For the payment of the proper and reasonable expense of operation, repair, replacement, improvements, additions, betterments, extensions, and maintenance of the sewer system and for the payment of the sums required to pay the principal and interest of all sewer revenue bonds as the same become due, there is hereby established a schedule of just and equitable rates or charges for the use of and services rendered by the Municipal sewer system and works of the City of Charles Town, West Virginia, which schedule of rates or charges, based upon the metered amount of water supplied to the premises, where possible, but providing for a flat rate when no meter is available, shall be as follows.

(b) Rules and Regulations. Rules and Regulations for the government of sewerage utilities adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by the Commission are hereby adopted by reference.

ESTABLISHMENT OF A SCHEDULE OF JUST AND EQUITABLE RATES OR CHARGES FOR SEWER SERVICE: USE OF WATER METERS; PROVISION FOR FLAT RATE

For the payment of the proper and reasonable expense of operation, repair, replacement, improvements, additions, betterments, extensions and maintenance of the sewer system and for the payment of the sums required to pay the principal and interest of all sewer revenue bonds as the same become due, there is hereby established a schedule of just and equitable rates or charges for the use of and services rendered by the Municipal sewer system and works of the City of Charles Town, West Virginia, which schedule of rates or charges, based upon the metered amount of water supplied to the premises, where possible, but providing for a flat rate when no meter is available, shall be as follows:

I. Rules and Regulations for the Government of Sewerage Utilities adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereafter made by the Commission are hereby adopted by reference.

II. MULTIPLE OCCUPANCY

In apartment buildings, shopping centers or other multiple occupancy buildings, each unit shall be required to pay not less than the minimum monthly charge provided above.

SCHEDULE I APPLICABILITY

Applicable within the entire territory served excluding the entire area known as the Huntfield subdivision.

AVAILABILITY

Available for general domestic, commercial and industrial service and sale for resale sewer service

RATES (Customers with a metered water supply)		
First	2,000 gallons used per month	\$7.98 per 1,000 gallons
Next	6,000 gallons used per month	5.73 per 1,000 gallons
Next	20,000 gallons used per month	5.20 per 1,000 gallons
All over	30,000 gallons used per month	4.61 per 1,000 gallons

MINIMUM CHARGE

No bill shall be rendered for less than \$15.92 per month, which is the equivalent of 2,000 gallons.

FLAT RATE CHARGE (Customers with non-metered water supply)

Equivalent of 4,500 gallons of water usage, \$30.25 per month

RESALE RATE

\$3.71 per 1,000 gallons per month

RESALE CREDIT (Applicable only to Jefferson County Public Service District)

A monthly credit of \$3,451 per month will be credited against the respective bill rendered to Jefferson County Public Service District for debt incurred by the District as part of the 2000 Charles Town Treatment Plant upgrade. This credit will remain in effect until the indebtedness associated with the respective upgrade is satisfied (Matures 2031).

TRANSPORTATION CREDIT (Applicable only to Jefferson County Public Service District)

A monthly credit of \$1,009 per month will be credited against the respective bill rendered to Jefferson County Public Service District for reimbursement of fixed debt associated with lift stations needed to transport Charles Town's sewage from the former Sanitary Associates service area. The credit will be given until the indebtedness is satisfied. In addition to the monthly credit of \$1,009, a transportation credit of \$1.65 per thousand gallons shall be provided to the Jefferson County Public Service District for all flows from the former Sanitary Associates area.

DELAYED PAYMENT PENALTY

The above scheduled is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

The following charge is to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of \$400.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

If a check is returned by the bank for any reason, the

For unmetered trailer parks, the monthly charge for services shall be equal to the number of units multiplied by the unmetered charge provided above.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the new current amount unpaid. This delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

TAP FEE

The following charges are to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of \$250.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

DISCONNECT - RECONNECT FEES

Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with the City of Charles Town, a disconnect fee of \$10.00 shall be charged. Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with Jefferson Utilities, Inc., a disconnect fee of \$20.00 shall be charged.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with the City of Charles Town is reconnected, a reconnection fee of \$10.00 shall be charged. Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with Jefferson Utilities, Inc. is reconnected, a reconnection fee of \$20.00 shall be charged.

LEAK ADJUSTMENT INCREMENT

\$3.01 per M. gallon is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the sewer utility up to a maximum of \$25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank due to insufficient funds.

SCHEDULE III APPLICABILITY

Applicable to Developers, which is defined as a person, corporation or entity who is in the business of land and/or commercial or housing development for profit, or a person, corporation, or entity who requests an alternate main line extension that includes the installation of mains by the person, corporation or entity. Applicable to non-Developers when the property at issue is a subdivided portion of a Previously Developed Tract. The term "Previously Developed Tract" as used in this Order is defined as property previously subdivided for commercial or housing development for profit. Owners of existing or new (being constructed) single-family structures, where the person applying for service will be the customer of record, and the proposed service location is not part of a Previously Developed Tract, shall be exempt from payment of the Capital Capacity Improvement Fee.

CAPITAL CAPACITY IMPROVEMENT FEE

There shall be paid to the City at the time of issuance by the City of a final sewer availability letter for the property to be served a capital capacity improvement fee of \$5,500 for each residential connection. Connections for non-residential use shall be paid in accordance with a residential usage equivalent schedule set forth below. The funds collected from the capital capacity improvement fee shall be maintained in a separate fund administered jointly by the City, Jefferson County PSD and the City of Ranson or their designees and shall be used only for the purpose of improving the City's treatment facilities. An exemption will be granted upon certification of a defined Affordable Housing unit as fully described in the City of Charles Town Resolution 2006-08.

ADDITIONAL CAPACITY IMPROVEMENT FEE - HUNTFIELD PUMP STATION

There shall be paid to the City at the time of issuance by the City of a final sewer availability letter for any development using the Huntfield pump station an additional capacity improvement fee - Huntfield pump station of \$2,875.00 for each equivalent dwelling unit. The funds collected from the capacity improvement fee shall be maintained in a separate fund administered by the City and shall be used only for the purpose of expanding the Huntfield pump station. All properties within the originally annexed acreage of the Huntfield subdivision, as described by the annexation of additional territory of the City of Charles Town pursuant to West Virginia Code 8-6-4 order by the County Commission of Jefferson County dated January 10, 2002, shall be exempt from this fee.

The usage equivalent for other than single family residential units for the capital capacity improvement fee and additional capacity improvement fee - Huntfield pump station shall be based upon the following:

RESIDENTIAL USAGE EQUIVALENTS FOR CAPACITY IMPROVEMENT CAPITAL COST FEE

Unit	Water Gallons/Day	Residential Usage Equivalent
Apartments	150/unit	1.0/unit
Bowling Alleys	200/alley	1.33/alley
Churches with kitchen	8/member	0.05/member
Churches w/o kitchen	2/member	0.013/member
Food Service	32/seat	0.213/seat
Fast Food	35/seat	0.23/seat
Restaurant		
Bar & Cocktail Lounge (additive)	2/patron	0.013/patron
Tavern-Little or no food	20/seat	0.132/per seat
Hotel	120/room	0.8/per room

SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section hereof shall be held void or unenforceable by the West Virginia Public Service Commission or any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed, and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Clerk shall cause to be published a copy of this Ordinance once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) days between each publication, in the Spirit of Jefferson Advocate and The Shepherdstown Chronicle, being two qualified newspapers of general circulation in the City of Charles Town, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council Chambers, Charles Town, West Virginia, on August 17, 2009, at 7:00 p.m., which date is not less than ten days after the date of the first publication of the Ordinance and notice, and present any comment or protest thereto, following which hearing, Council shall take such action as it shall deem proper. Copies of this Ordinance shall be available to the public for inspection at the office of the City Clerk, Charles Town, West Virginia.

Passed on First Reading:

July 20, 2009

Passed on Second Reading

(following Public Hearing):

BY:

MAYOR

CERTIFICATION AND NOTICE

I hereby certify that the foregoing is a true and accurate copy of an Ordinance which has been introduced and adopted on first reading at a meeting of the City Council of the City of Charles Town held on July 20, 2009, pursuant to proper notice, at which meeting a quorum was present and acting throughout. Any person interested may appear before the City Council of the City of Charles Town at the City Hall, 101 E. Washington Street, Charles Town, West Virginia, on August 17, 2009 at 7:00 p.m., being the date, time and place of the proposed final adoption of this Ordinance, and be heard. The Council will then take such action as it shall deem proper in the premises. The proposed ordinance may be inspected by the public at the Office of the Clerk in the City Hall, Charles Town, West Virginia during regular office hours.

BY: /s/ Joe Cosentino

CITY CLERK

7/30/20

NOTICE OF SALE OF VALUABLE REAL ESTATE BY SUBSTITUTE TRUSTEE

Notice is hereby given that default has occurred in the payment of a certain indebtedness in the amount of \$328,870.46, secured by a Deed of Trust dated August 23, 2006, between Michael M. Johnson and Frances M. A. Johnson, Grantors, and Tasha Keller Catrow, Trustee, recorded in the Office of the Clerk of the County Commission of Jefferson County, West Virginia on August 25, 2006, in Deed of Trust Book 1581, at Page 231, and which Deed of Trust authorizes the Lender to substitute a Trustee, at its option, and the Lender having appointed Stephen G. Skinner as Substitute Trustee, by Substitution of Trustee recorded in the aforesaid Clerk's Office in Deed Book 1066, at Page 603, and the undersigned Substitute Trustee having been requested by the owner and holder of the said indebtedness to enforce the Deed of Trust, will offer for sale at public auction at the front door of the Courthouse of Jefferson County, at 100 E. Washington Street, WV 25414, on August 20, 2009, at 9:00 a.m., all that certain parcel of real estate situated on the east side of the Shenandoah River in the Kablotown District, Jefferson County, West Virginia and being more particularly bounded and described as follows: Beginning at a point in the Easterly right-of-way line of West Virginia Route 9/5 (Mission Road). Said point being the corner common to Citizens Communications

275.00 feet to a point being a corner to Shannondale Club, Incorporated thence with said (15) Club the following two (2) courses: S. 61-12-27 W. 110.11 feet to a point thence; (16) S. 17-60-57 W. 165.06 feet to a point in the line of Lot 9, Section 4-A, Shannondale thence with Lot(s) 9 & 10 of said section (17) N. 67-49-09 W. 128.52 feet to the corner common to Armstrong thence with said Armstrong; (18) N. 67-49-09 W. 481.44 feet to a point in the easterly right of way line of West Virginia Route 9/5, thence with said line the following six (6) courses: (19) 148.81 feet along the arc of a curve to the right having a radius of 2228.60 feet on a chord bearing of N. 27-56-15 E. 148.29 feet to a point thence; (20) N. 29-51-12 E. 186.84 feet to a point thence; (21) 317.25 feet along the arc of a curve to the right having a radius of 542.83 feet on a chord bearing of N. 46-35-37 E. 312.78 feet to a point thence; (22) N. 69-20-21 E. 452.07 feet to a point thence; (23) 746.50 feet along the arc of a curve to the left having a radius of 712.67 feet on a chord bearing of N. 33-22-38 E. 711.99 feet to a point thence; (24) N. 03-25-04 E. 162.24 feet to the point of beginning, containing 15,002 acres.

AND BEING the same real estate conveyed to Michael M. Johnson and Frances M. A. Johnson, by deed dated March 14, 2001, from Shannondale, Inc., a West Virginia Corporation, recorded in the aforesaid Clerk's Office in Deed Book 945, at Page 662.

The deed from the Substitute Trustee will be substituted into the deed from

The following charge is to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of \$400.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

If a check is returned by the bank for any reason, the bank's charge to the Utility shall be the Utility's charge to the customer for such a bad check, but such charge to customers shall not exceed \$25.00.

LEAK ADJUSTMENT

\$0.81 per 1,000 gallons of water is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

SECURITY DEPOSIT

A deposit of \$50.00 or 2/12 of the average annual usage of the applicant's specific customer class, whichever is greater.

**SCHEDULE II
APPLICABILITY**

UTILITY SERVICE	U.S. PER YEAR	U.S. PER YEAR	U.S. PER YEAR
Fast Food	35/seat	0.23/seat	
Restaurant			
Bar & Cocktail Lounge (additive)	2/patron	0.013/patron	
Tavern-Little or no food	20/seat	0.132/per seat	
Hotel	120/room	0.8/per room	
Industry, sanitary	15/person/shift	0.1/person per shift	
Institutions:			
Hospital	250/bed	1.67/bed	
Nursing Homes	150/bed	1.0/bed	
Others	75/person	0.5/person	
Office Buildings	15/person	0.1/person	
Laundry Self Service	250/washer	1.67/washer	
Motels	120/room	0.8/room	
Retail Stores	400/toilet room	2.67/toilet room	
Residence	150/residence	1.0/residence	
School:			
Day, no cafeteria/showers	15/pupil	0.1/pupil	
Day with cafeteria	18/pupil	0.12/pupil	
Day with cafeteria/showers	20/pupil	0.133/pupil	
Boarding	75/pupil	0.5/pupil	
Service Station	500/set of pumps	3.33/set of pumps	
Shopping Centers	16/100 ft. of sales area	0.12/100 ft. of sales area	
Swimming Pools	10/swimmer design capacity	0.067/swimmer design capacity	
Capacity Theaters	3/seat	0.02/seat	
Warehouse	15/employee	0.1/employee	
If a unit does not appear on this schedule the sewer department shall determine its Residential Usage Equivalent in consultation with its consulting engineer.			

more particularly bounded and described as follows: Beginning at a point in the Easterly right-of-way line of West Virginia Route 9/5 (Mission Road). Said point being the corner common to Citizens Communications thence with (1) South 84-23-08 East 164.96 feet to a found rebar in the line of Lot 2, Section 29-F, Shannondale, thence with Lot(s) 2-4 & 8-11 of said Section the following thirteen (13) courses: (2) S. 09-30-40 W. 172.17 feet to a point thence (3) S. 04-17-00 W. 80.32 feet to a found rebar thence (4) S. 08-50-21 W. 85.12 feet to a point thence (5) S. 07-35-28 W 79.17 feet to a point thence; (6) S. 11-52-46 W. 76.82 feet to a point thence; (7) S. 20-42-37 W. 168.71 feet to a point thence; (8) S 51-58-11 W. 108.06 to a point thence; (9) S 69-42-07 W. 99.36 feet to a point thence; (10) S 01-02-30 W. 91.56 feet to a point thence (11) S. 29-23-20 E. 58.31 feet to a point thence (12) N. 89-15-55 W. 93.55 feet to a found rebar thence; (13) S. 28-36-40 W. 370.15 feet to a point thence; (14) S. 19-32-00 W.

from Shannondale, Inc., a West Virginia Corporation, recorded in the aforesaid Clerk's Office in Deed Book 945, at Page 662. The deed from the Substitute Trustee will be substituted to any liens for any unpaid real estate taxes, utility line easements, rights of way and restrictive covenants of record, and that certain Assignment of Rents & Leases dated August 23, 2006, from Michael M. Johnson and Frances M.A. Johnson, Assignor, to Bank of Charles Town, Bank, recorded in the aforesaid Clerk's Office in Deed Book 1027, at Page 117. The Substitute Trustee will deliver to the purchaser a Trustee's Deed conveying the real estate sold, but will be without covenant or warranty expressed or implied. The Substitute Trustee does not warrant title or fitness to this property; it is being purchased "as is"; this is a buyer beware sale and

Certificate of Publication

This is to certify the annexed advertisement

City of Charles Town
Article 921 Sewers

appeared for 2 consecutive days/weeks

in the Shepherdstown Chronicle, a newspaper

published in the City of Shepherdstown, WV

in its issue beginning:

7-31-09

and ending:

8-07-09

The Shepherdstown

Chronicle

P.O. Box 2088

Shepherdstown, WV 25443-2088

Fee \$ 2551.68

THE STATE OF WEST VIRGINIA

COUNTY OF JEFFERSON

The foregoing instrument was acknowledged before me

this Aug 7, 09 by



My commission expires Apr 29, 2018

Notary Public Carol Bush



OFFICIAL SEAL
STATE OF WEST VIRGINIA
NOTARY PUBLIC

Carol Bush
23 Armstrong Way
Martinsburg, WV 25403

My Commission Expires April 29, 2018

AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO CHAPTER THREE, STREETS, UTILITIES & PUBLIC SERVICES, ARTICLE 921 SEWERS

BE IT ORDAINED by the City Council of the City of Charles Town as follows:

That Section 921.16, Sewer Service Rates be AMENDED as follows:

a) Establishment. For the payment of the proper and reasonable expense of operation, repair, replacement, improvements, additions, extensions, and maintenance of the sewer system and for the payment of the sums required to pay the principal and interest of all sewer revenue bonds as the same become due, there is hereby established a schedule of just and equitable rates or charges for the use of and services rendered by the Municipal Sewer system and works of the City of Charles Town, West Virginia, which schedule of rates or charges, based upon the metered amount of water supplied to the premises, where possible, but providing for a flat rate when no meter is available, shall be as follows.

b) Rules and Regulations. Rules and Regulations for the government of sewerage utilities adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by the Commission are hereby adopted by reference.

ESTABLISHMENT OF A SCHEDULE OF JUST AND EQUITABLE RATES OR CHARGES FOR SEWER SERVICE. USE OF WATER METERS: PROVISION FOR FLAT RATE

For the payment of the proper and reasonable expense of operation, repair, replacement, improvements, additions, betterments, extensions and maintenance of the sewer system and for the payment of the sums required to pay the principal and interest of all sewer revenue bonds as the same become due, there is hereby established a schedule of just and equitable rates or charges for the use of and services rendered by the Municipal sewer system and works of the City of Charles Town, West Virginia, which schedule of rates or charges, based upon the metered amount of water supplied to the premises, where possible, but providing for a flat rate when no meter is available, shall be as follows:

I. Rules and Regulations for the Government of Sewerage Utilities adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by the Commission are hereby adopted by reference.

II. MULTIPLE OCCUPANCY

In apartment buildings, shopping centers or other multiple occupancy buildings, each unit shall be required to pay not less than the minimum monthly charge provided above.

SCHEDULE I

APPLICABILITY

Applicable within the entire territory served excluding the entire area know as the Huntfield subdivision.

AVAILABILITY

Available for general domestic, commercial and industrial service and sale for resale sewer service

RATES (Customers with a metered water supply)

First	2,000 gallons used per month	\$7.96 per 1,000 gallons
Next	8,000 gallons used per month	5.73 per 1,000 gallons
Next	20,000 gallons used per month	5.29 per 1,000 gallons
All over	30,000 gallons used per month	4.61 per 1,000 gallons

MINIMUM CHARGE

No bill shall be rendered for less than \$15.92 per month, which is the equivalent of 2,000 gallons.

FLAT RATE CHARGE (Customers with non-metered water supply)

Equivalent of 4,500 gallons of water usage, \$30.25 per month

RESALE RATE

\$3.71 per 1,000 gallons per month

RESALE CREDIT (Applicable only in Jefferson County Public Service District)

A monthly credit of \$3,451 per month will be credited against the respective bill rendered to Jefferson County Public Service District for debt incurred by the District as part of the 2000 Charles Town Treatment Plant upgrade. This credit will remain in effect until the indebtedness associated with the respective upgrade is satisfied (Measures 2031).

TRANSPORTATION CREDIT Applicable only to Jefferson County Public Service District

A monthly credit of \$1,009 per month will be credited against the respective bill rendered to Jefferson County Public Service District for reimbursement of fixed debt associated with lift stations needed to transport Charles Town's sewage from the former Seakary Associates service area. The credit will be given until the indebtedness is satisfied. In addition to the monthly credit of \$1,009, a transportation credit of \$1.65 per thousand gallons shall be provided to the Jefferson County Public Service District for all flows from the former Sanitary Associates area.

DELATED PAYMENT PENALTY

The above schedule is not. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

The following charge is to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of \$400.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

If a check is returned by the bank for any reason, the bank's charge to the Utility shall be the Utility's charge to the customer for such a bad check, but such charge to customers shall not exceed \$25.00.

LEAK ADJUSTMENT

\$0.81 per 1,000 gallons of water is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

SECURITY DEPOSIT

A deposit of \$10.00 or 2/12 of the average annual usage of the applicant's specific customer class, whichever is greater.

SCHEDULE II**APPLICABILITY**

Applicable within the entire territory known as the Hamfield subdivision

AVAILABILITY

Available for general domestic, commercial, and industrial service

RATES (customers with a metered water supply)

\$11.50 per thousand gallons of metered water usage

MINIMUM CHARGE

No bill will be rendered for less than \$26.98 per month.

The above minimum charge is subject to an additional \$0.71 per thousand gallons per month.

FLAT RATE CHARGE (Customers with non-metered water supply)

Equivalent of 4,500 gallons of water usage, \$51.75 per month

MULTIPLE OCCUPANCY

For unmetered trailer parks, the monthly charge for services shall be equal to the number of units multiplied by the unmetered charge provided above.

DELATED PAYMENT PENALTY

The above schedule is not. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

TAP FEE

The following charges are to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of \$250.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

DISCONNECT - RECONNECT FEES

Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with the City of Charles Town, a disconnect fee of \$10.00 shall be charged. Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with Jefferson Utilities, Inc., a disconnection fee of \$20.00 shall be charged.

APPLICABILITY

Applicable to Developers, which is defined as a person, corporation or entity who is in the business of land and/or commercial or housing development for profit, or a person, corporation, or entity who requests an alternate main line extension that includes the installation of mains by the person, corporation or entity. Applicable to non-Developers when the property at issue is a subdivided portion of a Previously Developed Tract. The term "Previously Developed Tract" as used in this Order is defined as property previously subdivided for commercial or housing development, for profit. Owners of existing or new (being constructed) single-family structures, where the person applying for service will be the customer of record, and the proposed service location is not part of a Previously Developed Tract, shall be exempt from payment of the Capital Capacity Improvement Fee.

CAPITAL CAPACITY IMPROVEMENT FEE

There shall be paid to the City at the time of issuance by the City of a final sewer availability letter for the property to be served a capital capacity improvement fee of \$5,500 for each residential connection. Connections for non-residential use shall be paid in accordance with a residential usage equivalent schedule set forth below. The funds collected from the capital capacity improvement fee shall be maintained in a separate fund administered jointly by the City, Jefferson County PSD and the City of Raason or their designees and shall be used only for the purpose of improving the City's treatment facilities. An exception will be granted upon certification of a defined Affordable Housing unit as fully described in the City of Charles Town Resolution 2005-08.

ADDITIONAL CAPACITY IMPROVEMENT FEE - HUNTFIELD PUMP STATION

There shall be paid to the City at the time of issuance by the City of a final sewer availability letter for any development using the Huntfield pump station an additional capacity improvement fee - Huntfield pump station of \$2,875.00 for each equivalent dwelling unit. The funds collected from the capacity improvement fee shall be maintained in a separate fund administered by the City and shall be used only for the purpose of expanding the Huntfield pump station. All properties within the originally annexed acreage of the Huntfield subdivision, as described by the annexation of additional territory of the City of Charles Town pursuant to West Virginia Code 8-6-4 order by the County Commission of Jefferson County dated January 10, 2002, shall be exempt from this fee.

The usage equivalent for other than single family residential units for the capital capacity improvement fee and additional capacity improvement fee - Huntfield pump station shall be based upon the following:

RESIDENTIAL USAGE EQUIVALENTS FOR CAPACITY IMPROVEMENT CAPITAL COST FEE

UNIT	WATER GALLONS/DAY	RESIDENTIAL USAGE EQUIVALENT
Apartments	150/unit	1.0/unit
Bowling Alleys	200/alley	1.33/alley
Churches with kitchen	8/member	0.05/member
Churches w/o kitchen	2/member	0.013/member
Food Service	32/seat	0.213/seat
Fast Food Restaurant	35/seat	0.23/seat
Bar & Cocktail Lounge (additive)	2/patron	0.013/patron
Tavern-Little or no food	20/seat	0.132/per seat
Hotel	120/room	0.8/per room
Industry, sanitary	1.5/person/shift	0.1/person per shift
Institutions:		
Hospital	250/bed	1.67/bed
Nursing Homes	150/bed	1.0/bed
Others	75/person	0.5/person
Office Buildings	15/person	0.1/person
Laundry Self Service	250/washer	1.67/washer
Motels	120/room	0.8/room
Retail Stores	400/toilet room	2.67/toilet room
Residence	150/residence	1.0/residence
School:		
Day, no cafeteria/showers	15/pupil	0.1/pupil
Day with cafeteria	18/pupil	0.12/pupil
Day with cafeteria/showers	20/pupil	0.133/pupil
Boarding	75/pupil	0.5/pupil
Service Station	500/set of pumps	3.33/set of pumps
Shopping Centers	16/100 ft. of sales area	0.12/100 ft. of sales area
Swimming Pools	10/swimmer design capacity	0.067/swimmer design capacity
Capacity Theaters	3/seat	0.02/seat
Warehouse	15/employee	0.1/employee

The rates and charges provided herein shall become effective forty-five (45) days after final enactment hereof.

SEPARABILITY: REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section hereof shall be held void or unenforceable by the West Virginia Public Service Commission or any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed, and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Clerk shall cause to be published a copy of this Ordinance once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) days between each publication, in the *Shepherdstown Advocate* and *The Shepherdstown Chronicle*, being two qualified newspapers of general circulation in the City of Charles Town, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council Chambers, Charles Town, West Virginia, on August 17, 2009, at 7:00 p.m., which date is not less than ten days after the date of the first publication of the Ordinance and notice, and present any comment or protest in writing, following which hearing, Council shall take such action as it shall deem proper. Copies of this Ordinance shall be available to the public for inspection at the office of the City Clerk, Charles Town, West Virginia.

Passed on First Reading: July 20, 2009

Passed on Second Reading
(following Public Hearing):

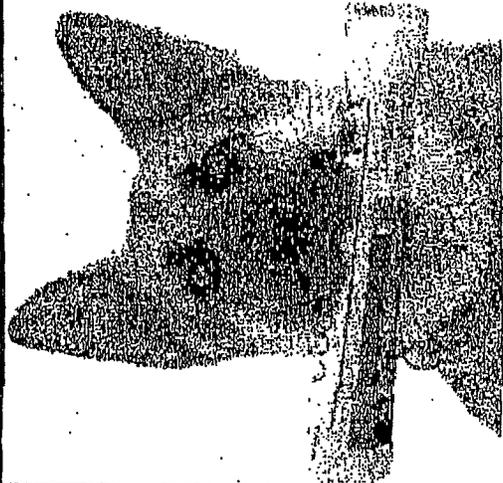
BY: _____
MAYOR

CERTIFICATION AND NOTICE

I hereby certify that the foregoing is a true and accurate copy of an Ordinance which has been introduced and adopted on first reading at a meeting of the City Council of the City of Charles Town held on July 20, 2009, pursuant to proper notice, at which meeting a quorum was present and acting throughout. Any person interested may appear before the City Council of the City of Charles Town at the City Hall, 101 E. Washington Street, Charles Town, West Virginia, on August 17, 2009 at 7:00 p.m., being the date, time and place of the proposed final adoption of this Ordinance, and be heard. The Council will then take such action as it shall deem proper in the premises. The proposed ordinance may be inspected by the public at the Office of the Clerk in the City Hall, Charles Town, West Virginia during regular office hours.

BY: *Joe Cosentino*
CITY CLERK

731, 8:7 (29)



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ORDS Charles Town 09A
09-1562-S-MA



Certificate of Publication

JEFFERSON PUBLISHING COMPANY, INC., Publisher
SPIRIT OF JEFFERSON ADVOCATE

Charles Town, W. Va. August 27, 2009 20

I hereby certify that the annexed Public Notice

in the case of Sewerage Rates for Charles Town

has been published once a week for two successive weeks, in the Spirit of Jefferson

Advocate, a newspaper published in Charles Town, Jefferson County, West Virginia, in the issues of

August 27 and September 3, 2009, 20

as required by law.

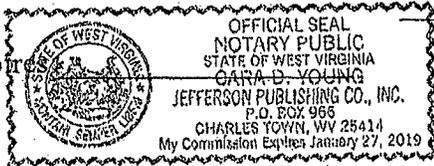
Editor/Manager, Spirit of Jefferson Advocate

State of West Virginia
County of Jefferson

Personally appeared before me, Edward W. Dockeney, Jr., Editor/Manager

of the Spirit of Jefferson Advocate, and made oath that the above certificate is true and correct.

Commission expires



Notary Public

W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

2010 JUN 12 PM 3 53

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RECEIVED

2010 JUN 12 PM 3 53

W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

**PUBLIC NOTICE OF SEWERAGE RATES OF
THE CITY OF CHARLES TOWN**

NOTICE is hereby given that the CITY OF CHARLES TOWN (the "City") enacted an ordinance on August 17, 2008 containing rates and charges for furnishing sewerage service to 2,087 customers at Charles Town and vicinity in Jefferson County, West Virginia.

The proposed increased rates and charges will become effective 45 days from the effective date of the ordinance, unless otherwise ordered by the Public Service Commission, and will produce a varied amount of additional revenue annually, as discussed below. The average monthly bill for the various classes of customers will be changed as follows:

TYPE OF CUSTOMER	(\$ INCREASE	(% INCREASE
Domestic (4,500 gallons)	0.	0.
Commercial (4,500 gallons)	0.	0.
Industrial (4,500 gallons)	0.	0.
Resale (4,500 gallons)	0.	0.

While the City is not proposing to increase its volume rates, the City is proposing to increase its capital capacity improvement fee by \$4,373 or 388% for each residential connection. Likewise, the \$4,373 or 388% proposed increase for each residential connection will result in an increase to the capital capacity improvement fee for non-residential connections, as determined in accordance with the City's residential usage equivalent schedule.

The City's proposed increased capital capacity improvement fee will produce approximately \$71,412 annually in additional revenue, an increase of 288%.

Resale customers of the City include Jefferson County Public Service District and the City of Ranson.

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The Public Service Commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates and charges by:

- (1) Any customer, aggrieved by the changed rates or charges who presents to the Public Service Commission a petition signed by not less than twenty-five percent (25%) of the customers served by the City's sewerage system; or
- (2) Any customer who is served by the City's sewerage system and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Public Service Commission a petition alleging discrimination between customers within and without the City's boundaries. Said petition shall be accompanied by evidence of discrimination; or
- (3) Any customer or group of customers who are affected by said change in rates who reside within the City's boundaries and who present a petition to the Public Service Commission alleging discrimination between said customer or group of customers and other customers of the City's sewerage system. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, Post Office Box 812, Charleston, West Virginia 25323.

A complete copy of the proposed rates, as well as a representative of the utility to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at the Clerk's Office at the City Hall, Charles Town, West Virginia.

A copy of the proposed rates is available for public inspection at the Office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, Post Office Box 812, Charleston, West Virginia 25323.

By: /s/ Joseph Cosentini
City Clerk

PUBLIC NOTICE OF SEWERAGE RATES OF THE CITY OF CHARLES TOWN

NOTICE is hereby given that the CITY OF CHARLES TOWN (the "City") enacted an ordinance on August 17, 2009 containing rates and charges for furnishing sewerage service to 2,087 customers at Charles Town and vicinity in Jefferson County, West Virginia.

The proposed increased rates and charges will become effective 45 days from the effective date of the ordinance, unless otherwise ordered by the Public Service Commission, and will produce a varied amount of additional revenue annually. The average monthly bill for the various classes of customers will be changed as follows:

TYPE OF CUSTOMER (\$) INCREASE (% INCREASE

Domestic (4,500 gallons)	0	0
Commercial (4,500 gallons)	0	0
Industrial (4,500 gallons)	0	0
Resale (4,500 gallons)	0	0

While the City is not proposing to increase its volume rates, the City is proposing to increase its capital capacity improvement fee by \$4,373 or 388% for each residential connection. Likewise, the \$4,373 or 388% proposed increase for each residential connection will result in an increase to the capital capacity improvement fee for non-residential connections, as determined in accordance with the City's residential usage equivalent schedule.

The City's proposed in-

creased capital capacity improvement fee will produce approximately \$7,412 annually in additional revenue, an increase of 288%.

Resale customers of the City include Jefferson County Public Service District and the City of Hanson.

The increases shown are based on averages for all customers in the indicated class. Individual customers may receive increases that are greater or less than averages. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The Public Service Commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates and charges by:

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- (2) Any customer who is served by the City's sewerage system and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Public Service Commission a petition alleging discrimination between customers within and without the City's boundaries. Said petition shall be accompanied by evidence of discrimination;
- (3) Any customer or group of customers who are affected by said change in rates, who reside within the City's boundaries and who present a petition to the Public Service Commission alleging discrimination between said customer or group of customers and other customers of the City's sewerage system. Said petition shall be accompanied by evidence of discrimination.

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A complete copy of the proposed rates, as well as a representative of the utility to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at the Clerk's Office at the City Hall, Charles Town, West Virginia.

A copy of the proposed rates is available for pub-

lic inspection at the Office of the Executive Secretary of the Public Service Commission at 201 Brookes Street, Post Office Box 812, Charleston, West Virginia 25323.

By: Joseph Coserilli, City Clerk

8-26-09

Certificate of Publication

This is to certify the annexed advertisement

**Steptoe & Johnson
Public Notice**

appeared for 2 consecutive days/weeks in the Shepherdstown Chronicle, a newspaper published in the City of Shepherdstown, WV

in its issue beginning:

8-27-09

and ending:

9-03-09

The Shepherdstown

Chronicle

P.O. Box 2088

Shepherdstown, WV 25443-2088

Fee \$ 216.73

THE STATE OF WEST VIRGINIA
COUNTY OF JEFFERSON

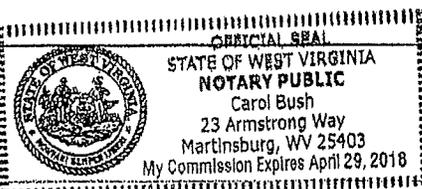
The foregoing instrument was acknowledged before me

this Sept 14, 09 by

[Signature]

My commission expires Apr 29 2018

Notary Public Carol Bush



Public Service Commission
Of West Virginia

201 Brooks Street, P. O. Box 812
Charleston, West Virginia 25323



Phone: (304) 340-0300
FAX: (304) 340-0325

January 13, 2010

John C. Stump, Esq.
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston WV 25326-1588

RECEIVED
2010 JAN 14 AM 8 59
WVA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

Re: RFA 09-92/W
City of Charles Town's Sewer Rate
Ordinance for an Increase in Capital
Improvement Fees

Dear Mr. Stump:

The City of Charles Town's (City) sewer rate ordinance adopted on August 17, 2009, and filed with the Public Service Commission (Commission) on August 24, 2009, has been referred by the Commission's Executive Secretary to the Commission's Legal Division for review. This letter will also confirm the Commission's receipt of the additional sewer rate ordinance information filed by the City on January 12, 2010.

Based upon my review of the City's sewer rate ordinance information, the City has met the appropriate West Virginia Code requirements and has met all of the other requirements under Rules 22.1 - 22.5 of the Commission's Rules for the Construction and Filing of Tariffs (C.S.R. §150-2-22).

On September 15, 2009, the Commission received from the Jefferson County Public Service District (District) a Petition for the Commission to initiate a Municipal Appeal as the ordinance is discriminatory to the District. The District is a sewer resale customer of the City.

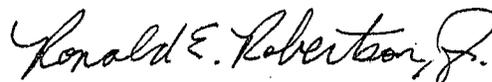
On September 18, 2009, the Commission also received from the City of Ranson (Ranson) a Petition for a Municipal Appeal in order to obtain the information that justifies the City's increase in its sewer capital improvement fee. Ranson is also a sewer resale customer of the City.

RFA 09-92/W
January 13, 2010
Page 2

Under West Virginia Code §24-2-4b, the Commission invoked its jurisdiction creating a municipal appeal case styled as City of Charleston, Case No. 09-1562-S-MA, by Order entered on September 18, 2009. With this municipal appeal proceeding, the Commission also suspended the City's sewer rate ordinance adopted on August 17, 2009. Until a Commission Order in this case directs otherwise, the City should continue to charge its current sewer tariff for the capital improvement fee.

This opinion letter does not bind the Commission or the Legal Division in any proceeding. If you have any questions, please feel free to contact me at your convenience.

Sincerely,



RONALD E. ROBERTSON, JR.
Staff Attorney
(304)340-0336
State Bar No. 4658

RER/s

cc: Sandra Squire, Executive Secretary
Caryn Watson Short, Director, Legal Division
Vickie Priddy, Tariff Officer

G:\Home\RROBERTSON\charlestown3.wpd

RECEIVED
2010 JAN 14 AM 8 59
W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

March 17, 2008

The Common Council of the City of Charles Town, Jefferson County, West Virginia, met in regular session pursuant to the rules of said Common Council in the Council Chambers at City Hall in said city on Monday, March 3, 2008 at 7:00 p.m. The following members of Council were present: Donald W. Clendening, MaryLois Gannon-Miller, Ruth McDaniel, Sandra McDonald, Ann Paonessa, Amy Schmitt, Michael Slover and Geraldine Willingham. Mayor Peggy Smith presided and Joseph Cosentini, City Clerk, took the minutes of the meeting. Also present were Jeremy Camp, Acting City Manager, Tara Hostler, Accounting Manager, and Chief Barry Subelsky.

A motion by Councilwoman McDonald, seconded by Councilwoman McDaniel and the Council unanimously voted to dispense with the reading of the minutes dated March 17, 2008. A motion by Councilwoman Willingham, seconded by Councilwoman McDaniel and the Council unanimously voted to approve the minutes dated March 17, 2008 with one correction.

UNFINISHED BUSINESS

Mayor Smith opened the floor for discussion regarding the second reading of an Annexation Ordinance annexing the real estate known as the Fritts Property and Resolution 2008-06 Acceptance of Conditions of Annexation. Upon discussion, a motion by Councilwoman Willingham, seconded by Councilwoman Schmitt and the Council voted 5-4, with Councilwoman Gannon-Miller, Councilwoman McDaniel, Councilwoman Paonessa and Councilman Slover voting against, to approve the second reading of an Annexation Ordinance annexing the real estate known as the Fritts Property and Resolution 2008-06 Acceptance of Conditions of Annexation as presented and as follows:

AN ORDINANCE ANNEXING THE PROPERTY OF
J. RUSSELL FRITTS INC. CONTAINING
98.912 ACRES OF LAND

WHEREAS, West Virginia Code 8-6-4 permits a municipality to, by ordinance, annex additional territory without ordering a vote on the question if (1) a majority of the qualified voters of the additional territory file with the governing body a petition to be annexed and (2) a majority of all freeholders of the additional territory, whether they reside or have a place of business therein or not, file with the governing body a petition to be annexed, and

WHEREAS, J. Russell Fritts Inc. is the owner of the property sought to be annexed and is a West Virginian Corporation, and

WHEREAS, by definition in West Virginia Code 8-6-4(b), J. Russell Fritts Inc. is a qualified voter in the area sought to be annexed, and

WHEREAS, there are no other qualified voters or freeholders in the area sought to be annexed, and

WHEREAS, J. Russell Fritts Inc. constitutes a majority of the qualified voters in the area sought to be annexed, and

WHEREAS, pursuant to West Virginia Code 8-6-4(d) which states if qualified voters of the additional territory sought to be annexed are also freeholders in the additional territory, they may join only and sign one petition in the additional territory sought to be annexed, and

WHEREAS, pursuant to West Virginia Code 8-6-4(f) which states if all of the eligible petitioners are qualified voters, then only a voters petition is required, and

WHEREAS, the City of Charles Town has determined that the property sought to be annexed is contiguous and adjacent to the municipal boundary lines of the City of Charles Town pursuant to the description attached to the petition, and

WHEREAS, the property that is sought to be annexed is in the Charles Town District and is shown on the maps of the Charles Town District as Map 9, Parcel 1, and

NOW, THEREFORE, WITNESSETH: That the undersigned, being a majority of the qualified eligible voters of the additional territory sought to be annexed, and the freeholders of the additional territory sought to be annexed, do hereby petition the City of Charles Town to include in its municipal boundaries by annexation, without election, all of that certain parcel of real estate as more particularly described in Exhibit A hereto. This parcel of land is contiguous and adjacent to the municipal boundary.

Dated this 17th day of March, 2008.

City of Charles Town
By: /s/ Peggy A. Smith
Peggy A. Smith, Mayor

First Read: 03/03/08
Second Read: 03/17/08

Resolution 2008-06

An Acceptance of Conditions of Annexation for the Fritts Property

WHEREAS, J. Russell Fritts Inc. presented their petition for annexation of their property to the Mayor and City Council, and

WHEREAS, the said petition for annexation was received and was referred to the Finance Committee of the City for further review and analysis, and

WHEREAS, said Finance Committee has convened, and after review of the information presented to it, has reached certain conclusions and has made recommendations, and

WHEREAS, the petition for annexation was next referred to the City of Charles Town Planning Commission for further review and analysis for its recommendation to Council, and

WHEREAS, at said meeting of the Planning Commission they adopted a recommendation that the property be zoned Neighborhood Residential (NR), and

WHEREAS, through direct negotiation, J. Russell Fritts Inc., the Planning Commission, the Finance Committee, the City Council of the City of Charles Town, and City Staff have compiled a list of conditions of annexation to be made by the developers and property owners which are subject to the annexation for the use and benefit of the City of Charles Town (hereinafter attached to as Exhibit 1: Conditions of Annexation for the Fritts Property), and

NOW, THEREFORE, WITNESSETH: That the property owners of the property known as Prospect Place, and the City of Charles Town agree as follows:

- A. The City will, by ordinance, as provided in §8-6-4 of the West Virginia Code, annexing into the corporate boundaries of Charles Town the territory owned by J. Russell Fritts Inc.
- B. The City will subject the territory so annexed to Neighborhood Residential zoning.
- C. The property owners will offer all terms set forth in Exhibit 1 for the use and benefit of the City of Charles Town upon the terms and conditions herein set forth.
- D. The property owners agree to execute further assurances or agreements as may be required by the City with such assurances and agreements to bind the owners of the property sought to be annexed, their successors and assigns to the conditions of annexation.

NOW, THEREFORE, BE IT RESOLVED; By the City Council of the City of Charles Town, to accept and approve the ordinance for annexation of J. Russell Fritts Inc. and to incorporate the same within the corporate boundaries of the City of Charles Town, pursuant to §8-6-4 of the West Virginia Code.

Dated: March 17, 2008

CITY OF CHARLES TOWN:
/s/ Peggy A. Smith
Peggy A. Smith, Mayor

Attest:
/s/ Joe Cosentini
City Clerk

CONDITIONS OF ANNEXATION
FOR PROPERTY OF J. RUSSELL FRITTS, INC.

The Petitioner, J. Russell Fritts, Inc. for property owned by J. Russell Fritts, Inc., herein also referred to as "The Property", "Fritts Property" or similar language, and as identified by Parcel 1, Tax Map 9, Charles Town District, agrees to the following conditions of annexation if the property is annexed into the City of Charles Town, herein also referred to as "The City" and "Charles Town."

Impact statements pertaining to the City of Charles Town Annexation Policy Evaluation Criteria, and all proposed voluntary contributions, submitted as conditions of annexation, are as follows:

PLANNING & ZONING COMPLIANCE – EVALUATION CRITERIA #1:

Evaluation Criteria 1A – Comprehensive Plan

This annexation is consistent with the City of Charles Town Comprehensive Plan per the following:

Chapter 3 – Charles Town's Vision for the Future

- Commerce and Industry – The Fritts Property will have a positive impact on the commerce and industry in Charles Town. The Fritts Property will offer between ten (10) to twenty (20) acres of commercial development which in turn will provide opportunity for the creation of new jobs and increased local tax revenue. As a consequence, petitioner reserves the right to request the City to amend the conditions of annexation and to potentially rezone the property to allow for the possible expansion of commercial uses within the site.
- Safety and Walkability - The Petitioner's current plans for the Property will promote walkability, with the incorporation of a walking trail or path in the proposed city park which will be linked to the sidewalks to be developed on the Property in both the proposed commercial and portions of the proposed residential sections of the property as deemed appropriate. The Fritts Property will promote safety in the community and Charles Town by completing the linking of recently annexed property (Langlet property) to the West Virginia Route 340 bypass and by connecting this property and recently annexed property to other recently annexed property (Prospect Place) via a new connecting road. This new connecting road would be consistent with the draft Charles Town Transportation Plan. This linkage via City street will have street lights and will meet other City requirements for safety purposes.
- Affordable Living – The Petitioner intends to have multi-family housing, townhome and single family detached residential units on the Property, possibly including housing targeted and restricted to persons over the age of fifty-five (55), adding to the types of residential units found in the City which could provide affordable housing for median income families. In addition, and as specified below, Workforce Housing shall be provided.
- Jobs – Upon completion of the project, the Property's commercial component will provide long-term employment opportunities. During the development of the property and the construction of individual units, the development of the Property will provide jobs in the local construction trades. New housing units will also create additional jobs in the community through the provision of services to the residents. Housing units targeted to those persons aged fifty-five (55) and older, will create new job opportunities as those types of units require services above and beyond those required in other types of new residential units.
- Infrastructure – The Petitioner is providing the infrastructure for the Property by building the necessary roads and stormwater management

facilities. Water service for the development of the Property will be from the City of Charles Town Water Department. Sewer service for the development of the Property will be from Willow Spring Public Service Corporation and will not impact the City of Charles Town's sewer plant.

- Beautification – In keeping with the City's beautification efforts, the Petitioner shall donate a minimum of twenty (20) acres for a city park around Cattail Run and its accompanying unnamed tributary. The Petitioner will submit the park plan as part of its overall Schematic Plan proposal for the development and shall submit its landscaping plan to the City of Charles Town tree board and will provide landscaping throughout the Property in accordance with the requirements of the City's ordinances.

- Parks, Trails, Greenspace, and Recreation – As specified above, the Petitioner will donate land to the City of Charles Town for a city park along and buffering Cattail Run and unnamed tributary. This park would also run along the new street linking recently annexed property and the West Virginia Route 340 bypass providing a green space along one of the City's newest corridors. In addition to the donation of twenty (20) plus acres for a linear park, the Fritts Property will provide a donation of at least one and a half (1 ½) acres, void of any environmental features (i.e. wetlands, floodplains, steep slopes, etc.), along the proposed connector road for a neighborhood park. All donated parkland shall be dedicated to the City no later than ten (10) years from the date of annexation. As a requirement of development, a trail shall be constructed by the developer along Cattail Run from the adjacent property recently annexed by the City (Langlet Property), and shall connect with Keye's Ferry Road. This trail shall be a standard width of six (6) feet and shall be constructed with a hard surface material (i.e. asphalt).

Evaluation Criteria 1B – Urban Zoning

The following Charles Town zoning classification is requested with this annexation and is appropriate and will promote urban development on the Property ensuring orderly future growth that is consistent with the Charles Town growth policy.

The Fritts Property, as defined herein, consisting of approximately 98.912 acres, shall be zoned NR (Neighborhood Residential); provided that, the modifications expressly stated below will supersede City ordinance standards where applicable:

- No single family residential or duplex lot shall be smaller than five thousand (5,000) square feet or be larger than one acre (1 acre).
- The development of the property shall be limited as to residential use to 370 residential dwelling units.
- The development shall be designed so the larger single-family lots are located adjacent to the adjoining residential single-family lots in the County.

Evaluation Criteria 1C – Contiguous Location

The Property satisfies the requirements of the Code of West Virginia and is contiguous to the existing corporate limits of the City of Charles Town.

Evaluation Criteria 1D – Transportation Planning

This annexation is compatible with the City's efforts to coordinate land use and transportation planning and to avoid adverse traffic impacts on the community. To this end, the Petitioners agree to the following:

All non-state roads shall be designed to meet the City's design guidelines to serve the eventual users, residents and tenants of the road network. The connector road connecting the Route 340 Bypass with the planned road on the adjacent Langlet property recently annexed by the City shall be dedicated to the City with an eighty (80) foot wide right-of-way, except where the Planning Commission may decide a lesser width would be acceptable or necessary.

Connectivity of any internal roads and/or parking lot facilities shall be provided between adjoining properties to the greatest extent feasible, as determined by the Planning Commission and the developer of the Property.

A transportation study shall be prepared by a qualified professional and submitted as information for the Planning Commission's consideration during the Schematic Plan review process. This transportation study shall be prepared using the methodology determined acceptable by the West Virginia Department of Transportation, Division of Highways for transportation studies. The transportation study shall specify the on-site and off-site transportation improvements that are determined to be necessary for maintaining acceptable levels of service of proposed and existing transportation facilities which are impacted by the development of the Property. Unless later agreed by the government body of Charles Town, no costs shall be incurred by the City for the construction of new, or upgrading of existing, transportation facilities.

ECONOMIC GROWTH – EVALUATION CRITERIA #2:

This annexation increases the City's ability to create quality jobs and establish retail and commercial businesses because it provides at least ten (10) acres designed for commercial uses along the Route 340 Bypass. Furthermore, and as jointly determined by the Petitioner and City, the development of this property shall be done in a manner that emphasizes good aesthetics from the viewshed of the Route 340 Bypass.

AFFORDABLE HOUSING – EVALUATION CRITERIA #3

- This annexation will provide townhome and single family residential units on the Property, possibly including housing targeted and restricted to persons over the age of fifty-five (55), which will provide an additional housing stock type in the City which may provide affordable options for some median family income households.

- A minimum of twenty (20) units, either single-family detached or townhouse or a combination of the same, shall be developed and sold as Workforce Housing, in accordance to the rules and requirements approved by the City of Charles Town's Housing Opportunity Board.

PROTECTION OF RESOURCES – EVALUATION CRITERIA #4

The Petitioner intends to protect and buffer the Cattail Run by providing land for a park to be donated to the City of Charles Town. In addition, all known environmental features, including, but not limited to, sinkholes, floodplain, wetland, natural waterways, natural drainage ways, and woodlands shall be identified on individual site plans. Any disturbance of environmental features shall be limited unless it is demonstrated that all city, county, state, and federal regulations are complied with.

A regional stormwater management area may be considered by the Planning Commission within the twenty (20) plus acre parkland, but shall be subject to approval by both entities. Regarding the future development of the Fritts Property by the owner, vegetation and land disturbance within the boundaries of the twenty (20) plus acre park area shall be restricted, except where Best Management Practices (BMPs) are utilized in accordance with the engineering standards found in the Virginia Stormwater Management Handbook and the Virginia Erosion and Sediment Control Handbook.

MUNICIPAL INFRASTRUCTURE AND SERVICES – EVALUATION CRITERIA #5

The Petitioner is providing the infrastructure for the Property by building the necessary roads and stormwater management facilities. Water service for the development of the Property will be from the City of Charles Town Water Department. Sewer service for the development of the Property will be from Willow Spring Public Service Corporation and will not impact the City of Charles Town's sewer plant.

FISCAL IMPACT – EVALUATION CRITERIA #6

This annexation will provide a positive fiscal impact from the future businesses that will locate within the annexed area through increased B&O tax collections.

The parties hereby acknowledge that there are cases currently pending in the state courts in which the imposition of county impact fees within municipal limits is in issue. The rulings in these cases may or may not affect the applicability of county impact fees to developments in the subject annexed territory. The parties acknowledge that the conditions of annexation required hereafter are not intended to result in a double payment by the Petitioner, its successors and assigns, of contributions, through both impact fees and conditions of annexation, to support services impacted by the uses to be developed in the subject territory. Accordingly, the following conditions of annexation shall apply:

(1) For any commercial development on the Property, the Petitioner agrees to pay, at the required time, amounts of contributions to the City, as conditions of annexation, equal to the impact fees that the Petitioner would have had to pay to the Jefferson County Commission had the Petitioner's property not become annexed into the City. The City agrees not to assess any other type of fee, assessment or other charge upon the Petitioner's property that would otherwise be due solely as a condition of annexation, such as the Capital Cost Fee and the Non-Capital Cost Fee. The funds paid to the City of Charles Town required by this paragraph as a condition of annexation shall be held in escrow until the cases now pending are resolved. If the rulings in the pending cases would result in the application of county impact fees to the subject territory, the funds paid to the City of Charles Town hereunder would be applied to such fees. If the rulings in the pending cases would not result in the application of county impact fees to the subject territory, the funds paid to the City of Charles Town hereunder would be refunded to the Petitioner.

(2) Separate from any applicable County school impact fees, the development of the Fritts Property shall be subject to the payment of monetary funds aimed at mitigating the impacts of development on the City of Charles Town. The owner of the Fritts Property, voluntarily agrees to donate \$948 for capital improvement costs, and \$4,500 for non-capital costs, to the City of Charles Town for each residential unit. These fees are subject to adjustment by the City on a bi-annual basis, starting from the time the annexation is recorded by the County Commission. The City shall provide to the Petitioner a written 60-day advanced notice of the increase with the supporting documentation to justify the fee increase. These fees shall be payable to the City upon the issuance of the building permit for residential structures, and shall be deemed voluntary and not subject to the right of appeal. Residential units provided to the City for the purpose of Workforce Housing, as defined by the City, shall be exempt from having to pay the capital and non-capital cost payments due to the City.

The Fritts Property shall not request offsets to the aforementioned voluntary non-monetary contributions cited herein.

In addition to all standard City fees, County school impact fees, and all voluntary fees mentioned herein, the Petitioner agrees to pay to the City all other additional impact fees declared by the County Commission as being owed for property developed in the City; provided that, these fees shall only be paid while the legal issues pertaining to the pending court cases are unresolved. Furthermore, these funds shall be held in escrow until the cases now pending are resolved. Minus all costs incurred by the City for administering the escrow, the interest earned while these funds are held in escrow shall be paid to the Petitioner. If the rulings in the pending cases would result in the application of county impact fees to the subject territory, the additional impact fees paid to the City of Charles Town hereunder would be applied to such fees and any remainder would be refunded to the Petitioner. If the rulings in the pending cases would not result in the application of county impact fees to the subject territory, the funds paid to the City of Charles Town hereunder would be refunded to the Petitioner.

The City agrees not to assess any other type of fee, assessment or other charge upon the Petitioner's property that would otherwise be due solely as a condition of annexation other than the fees specifically mentioned in this section (2). Nothing contained herein is intended to relieve the Petitioner, its successors and assigns, of the obligation to pay county impact fees for schools if such fees are applicable to the type of residential unit ultimately developed on the Property, which obligation, if applicable to such residential unit, both parties acknowledge is unaffected by the annexation conditions provided herein, and which obligation, if applicable to such residential unit, is specifically required by the Settlement Agreement dated October 1, 2004, in Civil Action No. 04-C-194 in the Circuit

Court of Jefferson County.

All of the above voluntary contributions offered in this document as conditions of this annexation shall be binding to all of the above-described property that is annexed into the City of Charles Town. The property owners shall ensure that these restrictions are conveyed with the property to all future assigns and/or transferees of all or any part of the subject property, excluding land given to the City of Charles Town, West Virginia Department of Transportation, or other local, state or federal government entity. These conditions of annexation shall be fully enforceable.

Dated this 17th day of March, 2008.

/s/ J. Russell Fritts
Petitioner

/s/ Peggy A. Smith
City of Charles Town, Mayor

Mayor Smith opened the floor for discussion regarding the second reading of an Annexation Ordinance annexing the real estate known as the Jamison Property and Resolution 2008-07 Acceptance of Conditions of Annexation. Upon discussion, a motion by Councilwoman Willingham, seconded by Councilwoman Schmitt and the Council voted 7-1, with Councilwoman Paonessa voting against, to approve the second reading and Resolution 2008-07 Acceptance of Conditions of Annexation as presented and as follows:

AN ORDINANCE ANNEXING THE PROPERTY OF
FLOYD R. JAMISON AND JOYCE G. JAMISON CONTAINING
1.565 ACRES OF LAND

WHEREAS, West Virginia Code 8-6-4 permits a municipality to, by ordinance, annex additional territory without ordering a vote on the question if (1) a majority of the qualified voters of the additional territory file with the governing body a petition to be annexed and (2) a majority of all freeholders of the additional territory, whether they reside or have a place of business therein or not, file with the governing body a petition to be annexed, and

WHEREAS, Floyd R. Jamison and Joyce G. Jamison are the owners of the property sought to be annexed and they are also qualified voters in the area sought to be annexed, and

WHEREAS, Barry L. Grimm also signed a petition seeking to annex the property as a resident on the property, but that Barry L. Grimm is not a freeholder nor is he a qualified voter in the area sought to be annexed, and

WHEREAS, pursuant to West Virginia Code 8-6-4(d) which states if qualified voters of the additional territory sought to be annexed are also freeholders in the additional territory, they may join only and sign one petition in the additional territory sought to be annexed, and

WHEREAS, pursuant to West Virginia Code 8-6-4(f) which states if all of the eligible petitioners are qualified voters, then only a voters petition is required, and

WHEREAS, there are no other qualified voters or freeholders in the area sought to be annexed, and

WHEREAS, Floyd R. Jamison and Joyce G. Jamison constitute a majority of the qualified voters in the area sought to be annexed, and

WHEREAS, the City of Charles Town has determined that the property sought to be annexed is contiguous and adjacent to the municipal boundary lines of the City of Charles Town pursuant to the description attached to the petition, and

WHEREAS, the property that is sought to be annexed is in the Charles Town District and is shown on the Assessor's map of the Charles Town District as Map 10, Parcel 8.5, and

NOW, THEREFORE, WITNESSETH: That the undersigned, being a majority of the qualified eligible voters of the additional territory sought to be annexed, and the freeholders of the additional territory sought to be annexed, do hereby petition the City of Charles Town to include in its municipal boundaries by annexation, without election, all of that certain parcel of real estate as more particularly described in Exhibit A hereto. This parcel of land is contiguous and adjacent to the municipal boundary.

Dated this 17th day of March, 2008.

City of Charles Town
By: /s/ Peggy A. Smith
Peggy A. Smith, Mayor

First Read: 03/03/08
Second Read: 03/17/08

Resolution 2008-07

An Acceptance of Conditions of Annexation for the Jamison Property

WHEREAS, Floyd R. and Joyce G. Jamison presented their petition for annexation of their property to the Mayor and City Council, and

WHEREAS, the said petition for annexation was received and was referred to the Finance Committee of the City for further review and analysis, and

WHEREAS, said Finance Committee has convened, and after review of the information presented to it, has reached certain conclusions and has made recommendations, and

WHEREAS, the petition for annexation was next referred to the City of Charles Town Planning Commission for further review and analysis for its recommendation to Council, and

WHEREAS, the Planning Commission adopted a recommendation that the property be zoned Residential Single Family (RS), and

WHEREAS, through direct negotiation, Floyd R. and Joyce G. Jamison, the Planning Commission, the Finance Committee, the City Council of the City of Charles Town, and City Staff have compiled a list of conditions of annexation to be made by the developers and property owners which are subject to the annexation for the use and benefit of the City of Charles Town (hereinafter attached to as Exhibit 1: Conditions of Annexation for the Jamison Property), and

NOW, THEREFORE, WITNESSETH: That the property owners of the property known as Prospect Place, and the City of Charles Town agree as follows:

- A. The City will, by ordinance, as provided in §8-6-4 of the West Virginia Code, annexing into the corporate boundaries of Charles Town the territory owned by Floyd R. and Joyce G. Jamison.
- B. The City will subject the territory so annexed to Residential Single Family zoning.
- C. The property owners will offer all terms set forth in Exhibit 1 for the use and benefit of the City of Charles Town upon the terms and conditions herein set forth.
- D. The property owners agree to execute further assurances or agreements as may be required by the City with such assurances and agreements to bind the owners of the property sought to be annexed, their successors and assigns to the conditions of annexation.

NOW, THEREFORE, BE IT RESOLVED; By the City Council of the City of Charles Town, to accept and approve the ordinance for annexation of Floyd R. and Joyce G. Jamison and to incorporate the same within the corporate boundaries of the City of Charles Town, pursuant to §8-6-4 of the West Virginia Code.

Dated: March 17, 2008

CITY OF CHARLES TOWN:
/s/ Peggy A. Smith
Peggy A. Smith, Mayor

Attest:
/s/ Joe Cosentini
City Clerk

CONDITIONS OF ANNEXATION
FOR
PROPERTY OF THE JAMISON PROPERTY

The Petitioner and property owners, Floyd R. Jamison and Joyce G. Jamison, herein also referred to as "The Property", "Jamison Property", "The Petitioner", "The Property Owners", or similar language, and as identified by Parcel 10, Tax Map 3, Charles Town District, agrees to the following conditions of annexation if the property is annexed into the City of Charles Town, herein referred to as "The City", "Charles Town", or similar.

Impact statements pertaining to the City of Charles Town Annexation Policy Evaluation Criteria, and all proposed voluntary contributions, submitted as conditions of annexation, are as follows:

PLANNING & ZONING COMPLIANCE – EVALUATION CRITERIA #1:

Evaluation Criteria 1A – Comprehensive Plan

This annexation is consistent with the City of Charles Town Comprehensive Plan per the following:

Chapter 3 – Charles Town’s Vision for the Future

- Commerce and Industry – The Jamison Property is located in an area suitable for potential residential development which would support other necessary uses, such as commercial and recreational.
- Safety and Walkability – The Property is located adjacent to other planned development areas and will be developed in a way that promotes connectivity, both pedestrian and vehicular.
- Affordable Living – No special affordable housing component is proposed in association with the Property being proposed for annexation.
- Jobs – This annexation is anticipated to have a neutral impact on local job creation.
- Infrastructure – Upon annexation and development, the Property will be designed and constructed to all applicable City standards in regards to infrastructure.
- Beautification – The Property will be designed to meet all city standards in regards to landscaping and other elements that support beautification of the neighborhood, which would promote a more livable community.
- Parks, Trails, Greenspace, and Recreation – As noted above, the standard Capital and Non-Capital Cost Fees to the City are proposed with this annexation, which would contribute to the City’s Park System.

Evaluation Criteria 1B – Urban Zoning

The Planning Commission agrees that the future development and subdivision of the parcel into as many as three (3) residential lots with a minimum lot size of 12,000 square feet would be compatible with the neighborhood and consistent with the City of Charles Town’s Comprehensive Plan. Therefore, the Planning Commission supports designating the property in the RS (Residential Single-Family) District. The Property Owners agree to comply with the City’s design standards and requirements as necessary for property zoned RS (Residential Single-Family) District.

Evaluation Criteria 1C – Contiguous Location

The Property satisfies the requirements of the Code of West Virginia and is contiguous to the existing corporate limits of the City of Charles Town.

Evaluation Criteria 1D – Transportation Planning

No transportation study shall be required for the further development or subdivision of the Property. However, the Property Owner agrees to design any future subdivision or development in a way that allows for the extension of Fourth Street (referred to as Euclid Ave.), unless otherwise waived by the Planning Commission. Furthermore, as a condition of development, and if it is determined necessary at the engineering stage, the Property Owner would dedicate a small portion of the Property to the City, or other legal entity, for the purpose of allowing adequate room for the extension of Fourth Street.

ECONOMIC GROWTH – EVALUATION CRITERIA #2:

The Jamison Property has a neutral impact towards economic growth in the City, but would support housing for the future labor force, which is a necessary component for attracting businesses.

AFFORDABLE HOUSING – EVALUATION CRITERIA #3

No special affordable housing conditions are proposed.

PROTECTION OF RESOURCES – EVALUATION CRITERIA #4

All City requirements shall be complied with prior to and during any construction activities that take place on the property.

MUNICIPAL INFRASTRUCTURE AND SERVICES - EVALUATION
CRITERIA #5

The Petitioner is providing the infrastructure for the Property by building the necessary roads and stormwater management facilities. Water service for the development of the Property will be from the City of Charles Town Water Department. Sewer service for the development of the Property will be from Willow Spring Public Service Corporation or the City of Charles Town Utilities.

FISCAL IMPACT - EVALUATION CRITERIA #6

The parties hereby acknowledge that there are cases currently pending in the state courts in which the imposition of county impact fees within municipal limits is in issue. The rulings in these cases may or may not affect the applicability of county impact fees to developments in the subject annexed territory. The parties acknowledge that the conditions of annexation required hereafter are not intended to result in a double payment by the Petitioner, its successors and assigns, of contributions, through both impact fees and conditions of annexation, to support services impacted by the uses to be developed in the subject territory. Accordingly, the following conditions of annexation shall apply:

(1) For any commercial development on the Property, the Petitioner agrees to pay, at the required time, amounts of contributions to the City, as conditions of annexation, equal to the impact fees that the Petitioner would have had to pay to the Jefferson County Commission had the Petitioner's property not become annexed into the City. The City agrees not to assess any other type of fee, assessment or other charge upon the Petitioner's property that would otherwise be due solely as a condition of annexation, such as the Capital Cost Fee and the Non-Capital Cost Fee. The funds paid to the City of Charles Town required by this paragraph as a condition of annexation shall be held in escrow until the cases now pending are resolved. If the rulings in the pending cases would result in the application of county impact fees to the subject territory, the funds paid to the City of Charles Town hereunder would be applied to such fees. If the rulings in the pending cases would not result in the application of county impact fees to the subject territory, the funds paid to the City of Charles Town hereunder would be refunded to the Petitioner.

(2) Separate from any applicable County school impact fees, the development of the Jamison Property shall be subject to the payment of monetary funds aimed at mitigating the impacts of development on the City of Charles Town. The owner of the Jamison Property, voluntarily agrees to donate \$948 for capital improvement costs, and \$4,500 for non-capital costs, to the City of Charles Town for each residential unit. These fees are subject to adjustment by the City on a bi-annual basis, starting from the time the annexation is recorded by the County Commission. The City shall provide to the Petitioner a written 60-day advanced notice of the increase with the supporting documentation to justify the fee increase. These fees shall be payable to the City upon the issuance of the building permit for residential structures, and shall be deemed voluntary and not subject to the right of appeal. Residential units provided to the City for the purpose of Workforce Housing, as defined by the City, shall be exempt from having to pay the capital and non-capital cost payments due to the City.

The Jamison Property shall not request offsets to the aforementioned voluntary non-monetary contributions cited herein.

In addition to all standard City fees, County school impact fees, and all voluntary fees mentioned herein, the Petitioner agrees to pay to the City all other additional impact fees declared by the County Commission as being owed for property developed in the City; provided that, these fees shall only be paid while the legal issues pertaining to the pending court cases are unresolved. Furthermore, these funds shall be held in escrow until the cases now pending are resolved. Minus all costs incurred by the City for administering the escrow, the interest earned while these funds are held in escrow shall be paid to the Petitioner. If the rulings in the pending cases would result in the application of county impact fees to the subject territory, the additional impact fees paid to the City of Charles Town hereunder would be applied to such fees and any remainder would be refunded to the Petitioner. If the rulings in the pending cases would not result in the application of county impact fees to the subject territory, the funds paid to the City of Charles Town hereunder would be refunded to the Petitioner.

The City agrees not to assess any other type of fee, assessment or other charge upon the Petitioner's property that would otherwise be due solely as a condition of annexation other than the fees specifically mentioned in this section (2). Nothing contained herein is intended to relieve the Petitioner, its successors and assigns, of the obligation to pay county impact fees for schools if such fees are applicable to the type of residential unit ultimately developed on the Property, which obligation, if applicable to such residential unit, both parties acknowledge is unaffected by the annexation conditions provided herein, and which obligation, if applicable to such residential unit, is specifically required by the Settlement Agreement dated October 1, 2004, in Civil Action No. 04-C-194 in the Circuit Court of Jefferson County.

All of the above voluntary contributions offered in this document as conditions of this annexation shall be binding to all of the above-described property that is annexed into the City of Charles Town. The property owners shall ensure that these restrictions are conveyed with the property to all future assigns and/or transferees of all or any part of the subject property, excluding land given to the City of Charles Town, West Virginia Department of Transportation, or other local, state or federal government entity. These conditions of annexation shall be fully enforceable.

Dated this 17th day of March, 2008.

/s/ Floyd Jamison
Petitioner (Property Owner)

/s/ Joyce Jamison
Petitioner (Property Owner)

/s/ Peggy A. Smith
City of Charles Town, Mayor

NEW BUSINESS

Mayor Smith opened the floor for discussion regarding the EPA Brownfields Assessment Grant discussion. Upon discussion, a motion by Councilman Cleodening, seconded by Councilwoman Willingham and the Council unanimously voted to send a letter to the City of Ranson requesting the use of the grant funds for Phase II environmental studies of the People Supply property and the Public Works Yard.

Mayor Smith opened the floor for discussion regarding the Baptist Church House. Upon discussion, a motion by Councilman Slover, seconded by Councilwoman Paonessa and the Council voted 6-2, with Councilwoman Schmitt and Councilwoman Willingham voting against, to draft a letter to send to the Church asking for an alternative to the demolition of the house.

Mayor Smith opened the floor for discussion regarding the first reading of an "AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART NINE, STREETS, UTILITIES & PUBLIC SERVICES, CHAPTER THREE; UTILITIES, ARTICLE 925, WATER SERVICE RATES" as revised from previously adopted version. A motion by Councilwoman Gannon-Miller, seconded by Councilwoman Schmitt and the Council unanimously voted to approve first reading of an "AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART NINE, STREETS, UTILITIES & PUBLIC SERVICES, CHAPTER THREE, UTILITIES, ARTICLE 925, WATER SERVICE RATES" as presented. ✓

Mayor Smith opened the floor for discussion of the letter of support for the Old Opera House WVSHPO Grant. A motion by Councilman Clendening, seconded by Councilwoman McDonald and the Council unanimously voted to send a letter of support for the Old Opera House WVSHPO Grant application.

Mayor Smith opened the floor for discussion regarding the FY08/09 City of Charles Town budget. A motion by Councilman Clendening, seconded by Councilwoman Willingham and the Council unanimously voted to approve the FY08/09 City of Charles Town budget as presented.

Mayor Smith opened the floor for discussion regarding Charles Town Spring Clean-up. Upon discussion, a motion by Councilman Slover, seconded by Councilman Clendening and the Council unanimously voted to set the 2008 Charles Town Spring Clean-up for April 21-25 and have staff look into the possibility of having hazardous waste delivered to the maintenance yard for disposal by a licensed contractor.

Mayor Smith opened the floor for discussion regarding the April Council meeting schedule. A motion by Councilwoman Schmitt, seconded by Councilwoman Paonessa and the Council unanimously voted to schedule the April meeting dates for the 15th and the 21st.

Mayor Smith opened the floor for discussion regarding the Gateway Building LLC Agreement. Director Camp informed the Council of the agreement. A motion by Councilman Clendening, seconded by Councilwoman Willingham and the Council unanimously voted to approve the Gateway Building LLC Agreement as presented.

REFERRALS TO COMMITTEE

A motion by Councilwoman Schmitt, seconded by Councilman Slover and the Council unanimously voted to refer to the Finance Committee donation requests from the Charles Town Library, the Charles Town/Ranson Little League, Old Opera House, Friends of Happy Retreat, Independent Fire Company, the Arts & Humanities Alliance of Jefferson County, the Jefferson County Coalition on Substance Abuse, Inc. dba Focus Coalition, Charles Town Health Right, Inc. dba Eastern Panhandle Free Clinic, Birthright of Ranson, CASA of the Eastern Panhandle, the Jefferson County Ambulance Authority and the Kiwanis Club of Charles Town.

A motion by Councilwoman McDaniel, seconded by Councilman Clendening and the Council unanimously voted to approve all bills as presented.

MAYOR AND COUNCIL REPORTS

Mayor Smith informed the Council that the money needed for the production of the Road Trip to History program has been donated by Charles Town Races & Slots, United Bank, Jefferson Security Bank, Bank of Charles Town and American Public University and presented Council with a draft Welcome Packet that could be handed out to citizens as they apply for water

service. Councilwoman Paonessa, Ward III, informed Council that the Parks and Recreation Board is looking for Council comment on a draft resolution to form a joint study committee on the consolidation of the Charles Town and Ranson Parks and Recreation Commissions, that the Jefferson County Youth Board has donated \$1,400.00 for the purchase of park benches for the Skate Park and that there should be an agenda item on the next Council meeting opposing toll roads. Councilwoman Willingham, Ward IV, informed Council that she would like to see a resolution placed on the next Council agenda opposing the proposed tax increase by the Jefferson County Commission. Councilman Slover, Ward IV, informed Council that the leaf vacuum will be picking up leaves raked to the curb in the month of April.

CHIEF OF POLICE REPORT

Chief Subelsky informed Council that Ptlm. Sam Smith was injured during a training exercise last week, that he attended a grant writing workshop and that the Department would like to donate unused cruisers to the Jefferson County Deputy Sheriffs Office and the Berkeley Springs Sheriff's Department. A motion by Councilman Clendening, seconded by

Councilwoman Willingham and the Council unanimously voted to donate the cruisers.

DONATION POLICY COMMITTEE REPORT

Councilman Slover and Councilman Clendening informed Council of the Donation Policy. Upon discussion, a motion by Councilwoman Paonessa, seconded by Councilwoman Schmitt and the Council unanimously voted to approve the policy with five amendments and is as follows:

Donation Request Policy

PURPOSE: To establish a uniform policy and procedure for administering the annual donation budget of the City of Charles Town.

STATEMENT: It is the policy of the City of Charles Town that all organizations requesting funding complete an application and follow the procedure outlined in this policy.

PROCEDURE:

1. The City of Charles Town shall appropriate a certain amount of its annual budget to fund organizations that tend to directly benefit a significant segment of the citizens of the City of Charles Town.

2. Eligibility. Generally, eligible organizations include:

- a. Public charities (501 (c) 3 or 4 non-profit organizations)
- b. Fraternal and/or civic organizations that contribute to the betterment of the community
- c. Independent youth sports leagues
- d. Materiel support for schools located within the City limits of Charles Town or serve a significant number of Charles Town residents

Generally, funding shall not be considered for the following:

- a. Clubs, organizations or sports teams affiliated with any churches, religious groups or not open to the general public

- b. Individuals for travel or costs associated with pageants, academic competitions or other contests
 - c. Other government bodies, agencies or entities who are providing the same or similar service or events already being provided by the City of Charles Town
3. Funding Considerations. Eligible organizations may apply for funding for capital expenses, special projects, events and/or general operating funds. Priority for funding will be given to organizations and/or projects that:
- a. Provide vital services to the community that are not duplicated by the City including, but not limited to: public safety, health and human services, youth, recreation, cultural programs and the arts.
 - b. Demonstrate fiscal responsibility and community impact
 - c. Are located within the City limits of Charles Town and/or serve a significant number of City residents.
 - d. Seek funding for capital expenses and special projects
4. Program Dates. Applications for donation must be received between January 1 and March 31 for consideration. Upon City Council approval, annual awards will be issued no later than June 30.

Reporting. Organizations awarded funds of \$500.00 and above are required to submit a Spending Report between October 1 and December 31. Failure to complete/submit this report could result in loss of eligibility for future funding.

FINANCE COMMITTEE

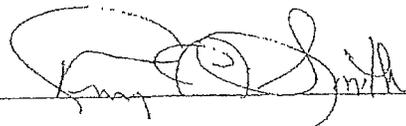
Councilwoman Willingham informed Council that the Finance Committee had met and makes the following recommendations:

1. Hotel/motel tax be increased from 5% to 6% effective July 1, 2008
2. Approval of the replacement materials for the Charles Towers crosswalk to be paid from the Street budget
3. Approval of the Lawrence Street parking lot lease for a five-year period at \$1,700 per year
4. Approval of the work to be done by AE Piercy at City Hall to be paid from the City Hall budget

A motion by Councilwoman Schmitt, seconded by Councilwoman McDonald and the Council unanimously voted to approve the Finance Committee recommendations as presented.

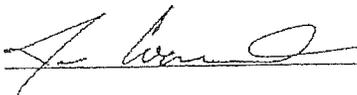
A motion by Councilwoman McDaniel, seconded by Councilwoman McDonald and the Council unanimously voted to adjourn at 8:04 p.m.

MAYOR:



DATE: 04/15/08

CLERK:



DATE: 04/15/08

(a)

583

April 15, 2008

The Common Council of the City of Charles Town, Jefferson County, West Virginia, met in regular session pursuant to the rules of said Common Council in the Council Chambers at City Hall in said city on Tuesday, April 15, 2008 at 7:00 p.m. The following members of Council were present: Donald W. Clendening, MaryLois Gannon-Miller, Ruth McDaniel, Sandra McDonald, Ann Paonessa, Amy Schmitt, Michael Slover and Geraldine Willingham. Mayor Peggy Smith presided and Joseph Cosentini, City Clerk, took the minutes of the meeting. Also present were Jeremy Camp, Acting City Manager, Tara Hostler, Accounting Manager, and Chief Barry Subelsky.

A motion by Councilwoman McDonald, seconded by Councilwoman McDaniel and the Council unanimously voted to dispense with the reading of the minutes dated March 17, 2008. A motion by Councilwoman Willingham, seconded by Councilwoman McDaniel and the Council unanimously voted to approve the minutes dated March 17, 2008 as presented.

NEW BUSINESS

Mayor Smith opened the floor for discussion regarding the public hearing and second reading of an "AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART NINE, STREETS, UTILITIES & PUBLIC SERVICES, CHAPTER THREE, UTILITIES, ARTICLE 925, WATER SERVICE RATES" as revised from previously adopted version. A motion by Councilwoman Gannon-Miller, seconded by Councilwoman McDonald and the Council unanimously voted to open the public hearing for public comment at 7:01 p.m. Being no comments, a motion by Councilwoman Willingham, seconded by Councilwoman McDonald and the Council unanimously voted to close the public hearing. A motion by Councilman Clendening, seconded by Councilman Slover and the Council unanimously voted to approve second reading of an "AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART NINE, STREETS, UTILITIES & PUBLIC SERVICES, CHAPTER THREE, UTILITIES, ARTICLE 925, WATER SERVICE RATES" as presented and is as follows:

AMENDMENT TO THE CODIFIED CODES OF THE CITY OF CHARLES TOWN, WEST VIRGINIA WITH REGARD TO PART NINE, STREETS, UTILITIES & PUBLIC SERVICES, CHAPTER THREE, UTILITIES, ARTICLE 925, WATER SERVICE RATES.

BE IT ORDAINED by the City Council of the City of Charles Town as follows:
That Article 925, Water Rates, Section 925.01, Water Service Rates, be AMENDED as follows:

925.01 WATER SERVICE RATES.

USE OF WATER METERS: PROVISION FOR FLAT RATE

For the payment of the proper and reasonable expense of operation, repair, replacements, improvements, additions, betterments, extension and maintenance of the water system and for the payment of the sums required to pay the principal and interest on all water revenue bonds as the same become due, there is hereby established a schedule of just and equitable rates, charges and penalties for the use of and services rendered by the municipal water system and works of the City of Charles Town, West Virginia, which schedule, based upon the metered amount of water supplied to the premises, where possible, but providing for a flat rate when no meter is available, shall be as follows:

APPLICABILITY (SCHEDULE I)

Applicable to entire area served.

AVAILABILITY

Available for general domestic, commercial and industrial service.

RATES

First	10,000 gallons used per month	\$8.23 per 1,000 gallons
Next	30,000 gallons used per month	7.00 per 1,000 gallons
Over	40,000 gallons used per month	5.53 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than the following amounts, according to the size of the meter installed, to-wit:

5/8" or 5/8" x 3/4"	Meter	\$20.58 per month
3/4"	Meter	30.87 per month
1"	Meter	51.45 per month
1-1/2"	Meter	102.90 per month
2"	Meter	164.64 per month
3"	Meter	308.70 per month
4"	Meter	514.50 per month
6"	Meter	1029.00 per month

FLAT RATE

For domestic, commercial or industrial customers - \$37.04 for 4,500 gallons per month.

MULTIPLE OCCUPANCY

In apartment buildings, shopping centers or other multiple occupancy buildings, each unit shall be required to pay not less than the minimum monthly charge provided above.

CONNECTION CHARGE

A service connection charge of \$370.00 shall be paid for all new service connections.

DISCONNECT FOR NONPAYMENT

Whenever water service has been discontinued for nonpayment of sewer bills, a disconnection fee of \$10.00 shall be charged.

RECONNECTION SERVICE CHARGE

Whenever water service which has been previously disconnected or otherwise withheld for nonpayment of sewer bills is reconnected, a fee of \$10.00 shall be charged.

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days, a ten percent (10%) charge shall be added to the net current amount unpaid. The delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

SECURITY DEPOSIT

The security deposit for water service shall be \$36.50.

RATES FOR FIRE PROTECTION - PUBLIC

Fire Hydrants, each	\$72.00 per annum
Sprinkler Heads, each	0.20 per annum

RATES FOR FIRE PROTECTION - PRIVATE

Fire Hydrants, each	\$72.00 per annum
Sprinkler Heads, each	0.20 per annum

(SCHEDULE II)

CAPACITY IMPROVEMENT CAPITAL COST FEE

Capacity Improvement Capital Cost Fee from the date of this tariff:

In addition to all the fees provided above, there shall be paid to the City at the time the application is made for connection of an unserved facility to the water system a capacity improvement capital cost fee of \$2,576.00 for each residential connection. Connections for nonresidential use shall be paid in accordance with a residential usage equivalent schedule set forth hereinafter. The funds collected from the capacity improvement capital cost fee shall be maintained in a separate fund by the Water System and shall be used only for the purpose of improving the water system treatment, storage and transmission facilities. These charges shall also be paid by customers of the water system who resell water supplied by the City to its customers in the same amount as if those connected to the resale customer system were to become direct customers of the City. The residential usage equivalent for other than single family residential units for the capacity improvement capital cost fee are as follows:

RESIDENTIAL USAGE EQUIVALENTS
FOR CAPACITY IMPROVEMENT CAPITAL COST FEE

<u>UNIT</u> <u>USAGE EQUIVALENT</u>	<u>GALLONS/DAY</u>	<u>RESIDENTIAL</u>
Single Family unit	150	1.0
Apartments	150/unit	1.0/unit
Bed and Breakfast	150	1.0
Bowling Alleys	200/alley	1.33/alley
Churches		
with kitchens	8/member	0.05/member
w/o kitchen	2/member	0.013/member
Food Service	32/seat	0.213/seat
Fast Food Restaurant	35/seat	0.23/seat
Bar & Cocktail Lounge	2/patron	0.013/patron
Tavern-Little or no food	20/seat	0.132/per seat
Hotel	120/room	0.8/per room
Industry	15/person/shift	0.1/person per shift
Institutions		
Hospitals	250/bed	1.67/bed
Nursing Homes	150/bed	1.0/bed
Others	75/person	0.5/person
Office Buildings	15/person	0.1/person
Laundry Self Service	250/washer	1.67/washer
Mobile Home Park	150/unit space	1.0/unit space
Motels	120/room	0.8/room
Retail Stores	400/toilet room	2.67/toilet room
Residence	150/residence	1.0/residence
School:		
Day, no cafeteria/showers	15/pupil	0.1/pupil
Day with cafeteria	18/pupil	0.12/pupil
Day with cafeteria/showers	20/pupil	0.133/pupil
Boarding	75/pupil	0.5/pupil
Service Station	500/set of pumps	3.33/set of pumps
Shopping Centers	16/100 ft. of sales area	0.12/100 ft. of sales area
Swimming Pools	10/swimmer design capacity	0.067/swimmer design capacity
Theatre	3/seat	0.02/seat
Warehouse	15/employees	0.1/employee

If a unit does not appear on this schedule the water department shall determine its Residential Usage Equivalent in consultation with its consulting engineer.

EFFECTIVE DATE

The rates and charges provided herein shall become effective forty-five (45) days after final enactment hereof.

SEPARABILITY: REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section hereof shall be held void or unenforceable by the West Virginia Public Service Commission or any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed, and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Clerk shall cause to be published a copy of this Ordinance once a week (or more frequently) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) days between each publication, in the Spirit of Jefferson Advocate and The Shepherdstown Chronicle, being two qualified newspapers of general circulation in the City of Charles Town, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council Chambers, Charles Town, West Virginia, on April 15, 2008 at 7:00 p.m., which date is not less than ten days after the date of the first publication of the Ordinance and notice, and present any comment or protest thereon, following which hearing, Council shall take such action as it shall deem proper. Copies of this Ordinance shall be available to the public for inspection at the office of the City Clerk, Charles Town, West Virginia.

Passed and adopted by the Council of the Corporation of Charles Town, West Virginia, on March 17, 2008.
Present: [illegible]
(City Clerk: [illegible]): April 15, 2008

Mayor Peggy A. Smith
MAYOR

Mayor Smith opened the meeting regarding "A RESOLUTION OF THE COUNCIL OF THE CORPORATION OF CHARLES TOWN, WEST VIRGINIA, AUTHORIZING CREATION AND OPERATION OF THE CHARLES TOWN AND RANSON JOINT STUDY COMMITTEE TO STUDY AND REPORT ON THE POTENTIAL MERGER OF THE TWO CITIES' PARKS AND RECREATION COMMISSIONS AND ASSOCIATED ISSUES." Councilwoman [illegible] reported Council on the actions of the Charles Town Parks and Recreation Commission. In discussion, a motion by Councilman Clendening, seconded by Councilwoman [illegible] and the Council unanimously voted to approve "A RESOLUTION OF THE COUNCIL OF THE CORPORATION OF CHARLES TOWN, WEST VIRGINIA, AUTHORIZING CREATION AND OPERATION OF THE CHARLES TOWN AND RANSON JOINT STUDY COMMITTEE TO STUDY AND REPORT ON THE POTENTIAL MERGER OF THE TWO CITIES' PARKS AND RECREATION COMMISSIONS AND ASSOCIATED ISSUES" pending legal review and action by the Ranson City Council.

RESOLUTION

A RESOLUTION OF THE COUNCIL OF THE CORPORATION OF CHARLES TOWN, WEST VIRGINIA, AUTHORIZING CREATION AND OPERATION OF THE CHARLES TOWN AND RANSON JOINT STUDY COMMITTEE TO STUDY AND REPORT ON THE POTENTIAL MERGER OF THE TWO CITIES' PARKS AND RECREATION COMMISSIONS AND ASSOCIATED ISSUES.

WHEREAS, West Virginia Code § 10-2-3 permits any two or more governing bodies to jointly establish and conduct a system of recreation, including recreation centers, parks, swimming pools, playgrounds, and any and all other recreation facilities and activities; and may exercise all the powers given by Chapter 10, Article 2 of the West Virginia Code; and

WHEREAS, neither the City of Ranson nor the City of Charles Town have determined whether merger, resource sharing short of merger, or maintenance of the status quo would be in the best interest of the citizens of either City; and

WHEREAS, the City of Ranson and the City of Charles Town believe that an organized, comprehensive and thorough study of the issues implicated by consideration of merger or of less extensive joint undertakings would be prudent and beneficial to the citizens of each city; and

WHEREAS, the City of Ranson and City of Charles Town believe that the involvement of the Jefferson County Parks and Recreation and the Jefferson County Board of Education is important to the success of the "Joint Study Committee."

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CORPORATION OF CHARLES TOWN, WEST VIRGINIA, as follows:

SECTION 1. *Authorization.* The Charles Town City Council hereby authorizes the creation of a "Charles Town and Ranson Joint Study Committee" to be structured and tasked as set forth below.

SECTION 2. *Cooperation.* The Mayor, Members of City Council, Members of the Park and Recreation Commission, and other city staff and consultants are authorized and directed to provide such information and support service as may be reasonably necessary to the work of the Joint Study Committee.

SECTION 3. *Purpose.* The primary purpose of the Joint Study Committee shall be to carefully study the advantages and disadvantages of merging the two cities' Parks and Recreation Commissions. If the Joint Study Committee recommends the merger of the cities' Parks and Recreation Commissions, the Joint Study Committee shall provide a detailed report to the governing bodies detailing, but not limited to, the following: (1) all aspects of finances; (2) personnel; (3) draft copy of articles and bylaws of joint parks and recreation commission which includes, but is not limited to, the following: (a) makeup, number and terms of commissioners and officers, (b) title and authorities of commissioners; (c) duties and authorities of the merged entity; (d) procedures of meetings; (e) amendment procedures to bylaws; and (f) any other item the Joint Study Committee deems necessary.

SECTION 4. *Membership.* The governing body of each city shall appoint three (3) voting members to the Joint Study Committee. The two City Managers or his or her staff designee shall be non-voting ex-officio members of the Joint Study Committee. The Board of Education and the Jefferson County Parks and Recreation shall each be invited to have one (1) non-voting advisory member to participate in all Joint Study Committee meetings and shall be noticed of all meetings of the Joint Study Committee in accordance with the guidelines set forth in SECTION 5. The Joint Study Committee may ask persons not on the Committee to speak, participate in meetings for expertise, guidance and input.

SECTION 5. *Meetings.* The Joint Study Committee shall meet at least monthly at dates and times to be determined by the Joint Study Committee. All decisions will be made by a majority vote of the members at the Joint Study Committee meeting. There shall be proper notification of all meetings and voting in compliance with the West Virginia Open Governmental Proceedings Act. Proxy

voting shall not be permitted. A quorum of the Joint Study Committee shall be at least two members from each city.

SECTION 6. *Public Access and Notices.* All meetings shall be open and the public invited to attend. All meetings and all sites shall be properly advertised in accordance with the West Virginia Open Governmental Proceedings Act. Minutes of all Joint Study Committee meetings shall be taken and made available to the public. The Joint Study Committee shall appoint a Secretary at its first meeting who shall be responsible for the distribution of meeting notices to members, advertisement of meetings, and all other matters in accordance with the West Virginia Open Governmental Proceedings Act and taking and keeping record of the minutes of each meeting.

SECTION 7. *Term.* The term of the Joint Study Committee shall be twelve (12) months; provided, however, if the Joint Study Committee has a final recommendation before the expiration of its term, the Joint Study Committee may present its study to the governing bodies of both cities. If the work of the Joint Study Committee is completed within its twelve (12) month term, then the term of the Joint Study Committee may be extended by resolution from the governing bodies of both cities.

SECTION 8. *Finances.* The cost of the study by the Joint Study Committee will be borne by the participating cities (exclusive of in kind staff time). All costs and expenses incurred by the Joint Study Committee shall be approved in advance by the elected bodies of both cities. The participating cities shall have the discretion to spend the budgeted funds in a manner consistent with their respective laws.

SECTION 9. *Final Recommendations.* At the end of its work, the Joint Study Commission shall submit its recommendations in written form to the Ranson Town Mayor and City Council and the Charles Town Mayor and City Council. Those two elected bodies shall separately consider all such recommendations and then shall separately approve the recommendations with or without recommendations. If both cities' elected bodies approve the Joint Study Commission's recommendations with or without any mutually agreed upon modifications, the participating cities shall thereupon jointly draft separate, but identical, resolutions to implement the approved recommendations and implement such recommendations.

Signed and approved by _____
_____ Mayor
_____ Mayor

ATTEST:
/s/ Joe Cosentini
Joseph Cosentini
Clerk

Mayor Smith opened the meeting by reading the Deed of Dedication for County Green. Jeremy Campbell presented a report on the status of the development that the Deed of Dedication for County Green is currently pending. A motion by Councilwoman Willingham, seconded by Councilman Smith, was carried. The Council unanimously voted to table the Deed of Dedication for County Green.

Mayor Smith opened the meeting by reading Resolution 2008-09: \$7,500 Division of Tourism Direct Advertising Grant and Verification. A motion by Councilwoman Willingham, seconded by Councilman Smith, was carried. The Council unanimously voted to approve Resolution 2008-09: \$7,500 Division of Tourism Direct Advertising Grant Participation and Verification.

Resolution 2008-09
Participation Verification and Certification
\$7,500 Direct Advertising Grant

I hereby certify that the City of Charles Town hereinafter referred to as "The City" is in compliance with all state, federal, and local laws, including, but not limited to, laws relating to Workers' Compensation insurance, unemployment compensation and business taxes. I further certify that the City is not presently in bankruptcy. I agree to notify the West Virginia Division of Tourism should the City go into bankruptcy either voluntarily or involuntarily.

I hereby certify that I, Peggy Smith, have the authority to speak for and bind by my signature the City. I certify that I have reviewed the portions of the grant application entitled City of Charles Town Heritage Festival 2008, for the project dates of July 15, 2008 to July 21, 2009 (hereinafter referred to as "the Grant") that pertains to the City and that the applications are true and correct to the best of my knowledge. I certify that the City is to be an active participant in the Grant, and that the City's portion of the Grant is the amount of \$1,825.00.

Dated: April 15, 2008

CITY OF CHARLES TOWN:
/s/ Peggy A. Smith
Peggy A. Smith, Mayor

Attest:
/s/ Joe Cosentini
City Clerk

Mayor Smith opened the floor for discussion regarding Resolution 2008-10: Preserve America Historic Preservation Grant. A motion by Councilwoman Schmitt, seconded by Councilman Clendening and the Council unanimously voted to approve Resolution 2008-10: Preserve America Historic Preservation Grant as presented and is as follows:

Resolution 2008-10
City of Charles Town Support
for the
Preserve America Grant Application

WHEREAS, The City of Charles Town was officially recognized as a *Preserve America Community* in March of 2007. With the designation comes the ability to apply for *Preserve America* grants and,

WHEREAS, the funding being applied for will point to the development of heritage tourism in Charles Town including a Tourism Development Plan and the hiring of a full time project Coordinator for two years; and,

WHEREAS, these programs proposed advance the City of Charles Town's heritage tourism goals and cultural interests; and,

WHEREAS, the proposed program will help the City of Charles Town develop partnerships with the Jefferson County Historical Society, the Old Charles Town Library, the Jefferson County Historical Society, the Washington Heritage Trail National Scenic Byway, Arts Humanities and Cultural Affairs (AHCA), the Jefferson County Black History Preservation Society, the City of Charles Town Historic Landmarks Commission, Friends of Happy Retreat, the Charles Town Historical Merchants Association, the Jefferson County Convention and Visitors Bureau, the Ranson Convention and Visitors Bureau, the Charles Town Visitors Center, the Jefferson County Chamber of Commerce, and the Jefferson County Tourism Commission,

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Charles Town, to support all the programs and projects proposed in the *Preserve America* grant application.

Dated: April 15, 2008

CITY OF CHARLES TOWN:
/s/ Peggy A. Smith
Peggy A. Smith, Mayor

Attest:
/s/ Joe Cosentini
City Clerk

Mayor Smith opened the public hearing regarding the Laying of the Levy in accordance with WV State Code 11-9-1. Councilwoman Willingham, seconded by Councilwoman Schmitt and the Council unanimously voted to Lay the Levy for FY08/09.

Mayor Smith opened the public hearing regarding the FY06/07 Charles Town Policeman's Pension Fund report. Councilwoman Paonessa, seconded by Councilwoman McDonald and the Council unanimously voted to approve the FY06/07 Charles Town Policeman's Pension Fund report.

Mayor Smith informed the Council regarding three Special Activity Permits. A motion by Councilwoman Willingham, seconded by Councilwoman McDonald and the Council unanimously voted to approve Special Activity Permit 08-01: Animal Welfare Society of Jefferson County Roadside Collection. The collection take place at the intersection of Samuel and Washington Streets. Special Activity Permit 08-02: Oakland

United Methodist Church Family Day Cookout as presented.
REFERRALS TO COMMITTEES

A motion by Councilwoman Willingham, seconded by Councilwoman Schmitt and the Council unanimously voted to refer the following donation requests from Citizen's Fire Co., Jefferson County Animal Adoption Center and a bid from Altec Industries Inc. for work on the bridge, the FY08 Budget revision #2 and a U.S. Paving bid for concrete on the bridge.

A motion by Councilwoman Willingham, seconded by Councilwoman McDaniel and the Council unanimously voted to refer the following to the appropriate committees:
MAYOR AND COUNCIL REPORT

Mayor Smith informed the Council regarding a luncheon honoring Frank Buckles, the last living WWI veteran, and the program in the Road Trip to History program. Mayor Smith also informed the Council she had received an email from a concerned citizen regarding the current practice is problematic from a legal standpoint, but there is no precedent. Councilman Clendening, seconded by Councilman Slover and the Council unanimously voted to table the decision on the open hearing. Councilwoman McDonald, seconded by Councilwoman Schmitt, Ward II, informed the Council that she would like to refer the three members of the Parks and

Recreation Joint Study Committee on the next Council agenda. Councilman Clendening, Ward III, informed Council that a draft Personnel Policy has been distributed to all Council members and asked that the Policy be on the April 21st Council agenda for approval and that he had attended WV Leadership Academy seminar in Morgantown. Councilwoman Paonessa, Ward III, informed Council that she had attended the "Tourism" Reception sponsored by the Jefferson County CVB.

CHIEF OF POLICE REPORT

Chief Subelsky informed Council that the Blue Jay Post held a camp over the weekend and that he would like to see a detailed Crossing Guard policy developed. Chief Subelsky informed Council that he is applying for a grant and needs a resolution from Council. A motion by Councilwoman Schmitt, seconded by Councilwoman McDonald and the Council unanimously voted to approve Resolution 2008-06, West Virginia Justice Assistance Grant (JAG) Application. Chief Subelsky asked Council for approval of the reservation of surplus funds from the Police Department budget. A motion by Councilwoman Willingham, seconded by Councilwoman McDaniel and the Council unanimously voted to allow the surplus from the Police Department budget, ending June 30, 2008, to be placed in a reserve fund for the use in the purchase of a new building.

FINANCE COMMITTEE

Councilwoman Willingham informed Council that the Finance Committee had met and makes the following recommendations:

1. Approval for the following requests for donations from Hotel/Motel:

Old Opera House Theatre	\$10,000
Old Charles Town Library	\$10,000
Charles Town Ransom Bible League	\$ 1,000
Arts & Humanities Office of Jefferson County	\$ 1,000

2. Approval for the following requests for donations from the General Fund:

Jefferson County Alcohol & Drug Authority	\$10,000
Eastern Panhandle Community College	\$ 5,000*
Kiwanis Club of Charles Town	\$ 1,000
Jefferson County Police Department (Networks)	\$ 1,000
CASA of the Eastern Panhandle	\$ 1,000

3. Approval for the following request for donation from Capital Reserve:

Independent Fire Company	\$10,000
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* if funds allow at fiscal year end the Finance Committee would like to donate an additional amount to the Eastern Panhandle Community College.

Upon discussion, a motion by Councilman Clendening, seconded by Councilwoman Schmitt and the Council unanimously voted to approve the Finance Committee recommendations as presented.

DOWNTOWN ECONOMIC REVITALIZATION COMMITTEE

Councilwoman Paonessa presented a letter to the Downtown Economic Revitalization Committee's goals and work plan. Councilwoman Paonessa informed Council that a brownfields site needs to be cleaned up for remaining EPA Grant funds since the remaining funds will not cover the cost of the site for both the Public Works Yard and the People Supply property.

UNFINISHED BUSINESS

Mayor Smith opened the meeting by reading the letter to the Charles Town Baptist Church. Upon discussion by Councilwoman Paonessa, seconded by Councilman Slover and the Councilwoman Clendening, Councilwoman McDaniel, Councilwoman Willingham, Councilman Clendening, Councilwoman Willingham and Councilwoman Willingham voting against, to approve the letter to the Charles Town Baptist Church.

A motion by Councilwoman Willingham seconded by Councilwoman McDonald and the Council unanimously voted to approve the letter to the Charles Town Baptist Church.

MAYOR:  DATE: 04/21/08

CLERK:  DATE: 04/21/08

Utility Board Resolution

City of Charles Town
Combined Waterworks and Sewerage System
Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

**AUTHORIZING RESOLUTION OF
CITY OF CHARLES TOWN UTILITY BOARD**

RESOLUTION RECOMMENDING THE ISSUANCE BY THE CITY OF CHARLES TOWN OF ITS COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A, IN AN AMOUNT NOT TO EXCEED \$17,000,000, FOR THE PURPOSE OF PERMANENTLY FINANCING CERTAIN COSTS RELATED TO THE CONSTRUCTION OF CERTAIN IMPROVEMENTS TO THE SEWERAGE PORTION OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY.

WHEREAS, in accordance with Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the “Act”), and pursuant to an Ordinance enacted by the City of Charles Town, a municipal corporation and political subdivision of the State of West Virginia (the “City”) on March 16, 1998 (the “Utility Board Ordinance”), the City created the City of Charles Town Utility Board (the “Utility Board”) and vested in the Utility Board the responsibility for the supervision, management, control and operation of the combined waterworks and sewerage system of the City (the “System”);

WHEREAS, pursuant to the Act, the City is vested with the authority to issue revenue bonds for the purpose of financing and refinancing the cost of additions, betterments and improvements to the System;

WHEREAS, the Utility Board has determined that the costs of the construction of certain improvements to the sewerage portion of the combined waterworks and sewerage system be permanently financed and such costs be financed with revenue bonds to be issued by the City; and

WHEREAS, as the entity vested by the City with responsibility for the supervision, management, control and operation of the System, pursuant to its adoption of this Authorizing Resolution, the Utility Board wishes to recommend to the City that it undertake the issuance of its Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (the “Series 2011 A Bonds”) for the purpose of financing the costs of improvements to the sewerage

portion of the System, specifically including, but not limited to, renovation and expansion of the Tuscawilla treatment plant;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF CHARLES TOWN UTILITY BOARD:

SECTION 1. The Utility Board hereby recommends to the City that it undertake the issuance of its Series 2011 A Bonds for the purpose of financing the cost of additions, betterments and improvements to the System, specifically including, but not limited to, renovation and expansion of the Tuscawilla treatment plant.

SECTION 2. The Utility Board hereby recommends the adoption by the City of an Ordinance substantially in the form attached hereto and made a part hereof as Exhibit A, in connection with its issuance of the Series 2011 A Bonds.

SECTION 3. The Utility Board hereby repeals any resolution or ordinance which it has previously enacted which is inconsistent with the provisions hereof.

SECTION 4. This Authorizing Resolution shall be effective immediately following the adoption hereof.

[Remainder of Page Intentionally Left Blank]

Adopted this 18th day of February, 2011.

CITY OF CHARLES TOWN UTILITY BOARD

By: 
Its: Chairman

EXHIBIT A

FORM OF ORDINANCE

[See Transcript at Tab No. 1]

Certificate of Publication

JEFFERSON PUBLISHING COMPANY, INC., Publisher
SPIRIT OF JEFFERSON ADVOCATE

Charles Town, W. Va. May 4 20 11

I hereby certify that the annexed Notice of public hearing

in the case of City of Charles Town Bonds Ordinance

has been published once a week for two successive weeks, in the Spirit of Jefferson

Advocate, a newspaper published in Charles Town, Jefferson County, West Virginia, in the issues of

May 4 & 11, 20 11,

as required by law.



Editor/Manager, Spirit of Jefferson Advocate

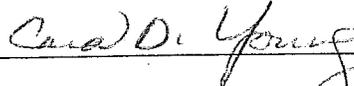
State of West Virginia

County of Jefferson

Personally appeared before me, Craig See, Editor/Manager

of the Spirit of Jefferson Advocate, and made oath that the above certificate is true and correct.

Commission expires



Notary Public

NOTICE OF PUBLIC HEARING ON THE CITY OF CHARLES TOWN BONDS ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a regular meeting of the Council of the City of Charles Town (the "City") to be held on Monday, May 16, 2011, at 7:00 p.m. at the City Hall, Charles Town, West Virginia, and at such hearing any person interested may appear before the City and pres-

ent protests, and all protests and suggestions shall be heard by the City and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

CITY OF CHARLES TOWN

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING SEWERAGE PORTION OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF CHARLES TOWN AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF CHARLES TOWN OF NOT MORE THAN \$17,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The City contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used (i) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the sewerage portion of the existing combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the system of the City.

The above-entitled Ordinance was adopted by the Council of the City of Charles Town on April 4, 2011. A certified copy of the above-entitled Ordinance is on file with the City for review by interested parties during regular office hours.

Following the public hearing, the City intends to enact the Ordinance upon final reading.

/s/ Peggy A. Smith
Mayor

5/4/21

March 21, 2011

The Common Council of the City of Charles Town, Jefferson County, West Virginia, met in regular session pursuant to the rules of said Common Council in the Council Chambers at City Hall in said city on Monday, March 21, 2011 at 7:00 p.m. The following members of Council were present: Rich Bringewatt, Donald Clendening, MaryLois Gannon-Miller, Chet Hines, Ruth McDaniel, Sandy McDonald, Ann Paonessa, and Michael Slover. Mayor Peggy Smith presided and Jeni Sales, Court Clerk, took the minutes of the meeting. Also present were Joe Cosentini, City Clerk/Acting City Manager, Jane Arnett, Utility Manager and Chief Barry Subelsky.

A motion by Councilman Hines, seconded by Councilwoman McDonald and the Council unanimously voted to dispense with the reading of the minutes dated March 7, 2011. A motion by Councilwoman McDaniel, seconded by Councilwoman McDonald and the Council unanimously voted to approve the minutes dated March 7, 2011 as presented.

Mayor Smith opened the floor for public comments. Mark Reinhart, N Lawrence St, appeared before Council to explain his actions at the Planning Commission meeting on February 28, 2011.

NEW BUSINESS

Mayor Smith opened the floor for the First Reading of an ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING SEWERAGE PORTION OF THE COMBINED WATER WORKS AND SEWERAGE PORTION OF THE COMBINED WATER WORKS AND SEWERAGE SYSTEM OF THE CITY OF CHARLES TOWN AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF CHARLES TOWN OF NOT MORE THAN \$17,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATER WORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISION OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO. A motion by Councilman Clendening, seconded by Councilman Slover and, upon discussion, the Council unanimously voted to approve the first reading of ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF

ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING SEWERAGE PORTION OF THE COMBINED WATER WORKS AND SEWERAGE PORTION OF THE COMBINED WATER WORKS AND SEWERAGE SYSTEM OF THE CITY OF CHARLES TOWN AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF CHARLES TOWN OF NOT MORE THAN \$17,000.00 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATER WORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATION TO SUCH BONDS, AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISION OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

Mayor Smith opened the floor the presentation by Walker Parking Consultants of the downtown Charles Town parking study. Carolyn Krasnow with Walker Parking Consultants appeared before Council to give a presentation on the downtown Charles Town parking study. A motion by Councilwoman Paonessa, seconded by Councilwoman McDonald and, upon discussion, the Council unanimously voted to refer the parking study to the Street Committee and that a copy of the parking study be sent to stakeholders including the Jefferson County Commission, City of Ranson, Bank of Charles Town, American Public University and the Jefferson County Circuit Clerk.

Mayor Smith opened the floor for Resolution 2011-04: Celebrate Arbor Day. A motion by Councilman Clendering, seconded by Councilwoman McDonald and the Council unanimously voted to approve Resolution 2011-04: Celebrate Arbor Day as presented and is as follows:

CELEBRATE ARBOR DAY

WHEREAS, In 1872, J. Sterling Morton Proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees, and

WHEREAS, this holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska, and

WHEREAS, Arbor Day is now observed throughout the nation and the world, and

WHEREAS, trees can reduce the erosion of our precious topsoil by wind and water, cut heating and cooling costs, moderate the temperature, clean the air, produce life-giving oxygen, and provide habitat for wildlife, and

WHEREAS, trees are a renewable resource giving us paper, wood for our homes, fuel for our fires, and beautify our community, and

WHEREAS, trees in our city increase property values, enhance the economic vitality of business areas, and

WHEREAS, trees, wherever they are planted are a source of joy and spiritual renewal

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of the City of Charles Town, West Virginia, do hereby proclaim May 6, 2011 as Arbor Day in the City of Charles Town, and we urge all citizens to celebrate Arbor Day and to support efforts to protect our trees and woodlands, and

FURTHER, we urge all citizens to plant trees to gladden the heart and promote the well being of this and future generations.

ADOPTED by Mayor and City of Charles Town Council Members at its regular meeting this 21st day of March 2011.

/s/ Peggy A. Smith
Peggy A. Smith
Mayor

ATTEST:
/s/ Joe Cosentini
Joe Cosentini
City Clerk

Mayor Smith opened the floor for the approval of bills. A motion by Councilwoman McDaniel, seconded by Councilwoman McDonald and the Council unanimously voted to approve all bills as presented.

MAYOR AND COUNCIL REPORTS

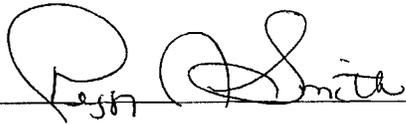
Councilwoman McDonald, Ward I, informed Council that she had received complaints of high electric bills. Councilwoman Gannon-Miller, Ward II, informed Council that the Ordinance Committee scheduled the public hearing for the urban deer issue on April 20, 2011 and commented on the Planning Commission meeting from February 28, 2011. Councilman Clendening, Ward III, informed Council of leaf piles and asked if the City was going to get the leaf truck out. Councilwoman Paonessa, Ward III, informed Council that John Poole President of the Charles Town Board of Parks and Recreation Commissioners is resigning and will be sorely missed. Councilman Bringewatt, Ward IV, asked for a report back regarding the high electric bills.

CITY MANAGER REPORT

Mr. Cosentini informed Council that on March 19, 2011 the Jefferson County fireworks fundraiser was held at the Hollywood Casino and that over \$2,000 was raised from the silent auction. Mr. Cosentini also informed Council that the Jefferson County Departments of Planning and Zoning will be hosting a kick-off meeting for the US Route 340 East Gateway Plan on Saturday March 26, 2011 from 10:00 a.m. to 1:00 p.m. at C.W. Shipley Elementary School. Furthermore, Mr. Cosentini informed Council that due to the slim possibility of obtaining

earmarks in the upcoming Federal Transportation Equity Act bill for the renovations needed at Charles Washington Hall that Delta Development Group has recommended supporting the creation of new grant programs accessible by local government organizations. These new programs would allow the City to apply for funding for the CW Hall project.

A motion by Councilwoman Paonessa, seconded by Councilwoman McDonald and the Council unanimously voted to adjourn at 7:57 PM.

MAYOR:  DATE: 04/04/11

CLERK:  DATE: 04/04/11

The Common Council of the City of Charles Town, Jefferson County, West Virginia, met in regular session pursuant to the rules of said Common Council in the Council Chambers at City Hall in said city on Monday, April 4, 2011 at 7:00 p.m. The following members of Council were present: Rich Bringewatt, Donald Clendening, MaryLois Gannon-Miller, Chet Hines, Ruth McDaniel, Sandy McDonald, Ann Paonessa, and Michael Slover. Mayor Peggy Smith presided and Jeni Sales, Court Clerk, took the minutes of the meeting. Also present were Joe Cosentini, City Clerk/Acting City Manager, Tara Hostler, Accounting Manager, Katie See, City Planner and Chief Barry Subelsky.

A motion by Councilman Slover, seconded by Councilwoman McDonald and the Council unanimously voted to dispense with the reading of the minutes dated March 21, 2011. A motion by Councilwoman McDonald, seconded by Councilwoman Paonessa and the Council unanimously voted to approve the minutes dated March 21, 2011 as presented.

UNFINISHED BUSINESS

Mayor Smith opened the floor for the Second Reading of an ORDINANCE AUTHORIZING THE ACQUISTION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING SEWERAGE PORTION OF THE COMBINED WATER WORKS AND SEWERAGE PORTION OF THE COMBINED WATER WORKS AND SEWERAGE SYSTEM OF THE CITY OF CHARLES TOWN AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF CHARLES TOWN OF NOT MORE THAN \$17,000.000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATER WORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISION OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO. A motion by Councilman Clendening, seconded by Councilwoman McDonald and the Council unanimously voted to approve the second reading of ORDINANCE AUTHORIZING THE ACQUISTION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING SEWERAGE PORTION OF THE COMBINED WATER WORKS AND SEWERAGE PORTION OF THE COMBINED WATER WORKS AND SEWERAGE SYSTEM OF THE CITY OF CHARLES TOWN AND

THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF CHARLES TOWN OF NOT MORE THAN \$17,000.00 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATER WORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATION TO SUCH BONDS, AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISION OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

NEW BUSINESS

Mayor Smith opened the floor for the public hearing and decision on REZ 2011-01: Rezoning Request Windmill Crossing Lot 15.

Mayor Smith opened the floor for FY2011 Budget Revision #2. A motion by Councilman Clendening, seconded by Councilwoman McDonald and, upon discussion, the Council unanimously voted to approve the FY2011 budget revision #2.

Mayor Smith opened the floor for City Council Meeting Schedule to Lay the Levy. A motion by Councilman Hines, seconded by Councilwoman McDonald and the Council unanimously voted to move the next Council meeting to Tuesday April 19th, 2011.

Mayor Smith opened the floor for special activity permit 11-05: Jefferson Farmers Market. A motion by Councilman Clendening, seconded by Councilman McDonald and the Council unanimously voted to approve special activity permit 11-05: Jefferson Farmers Market.

APPOINTMENTS

Mayor Smith opened the floor for appointments. A motion by Council Paonessa, seconded by Councilwoman McDonald and, upon discussion, the Council unanimously voted to approve the 2011 Pollworkers.

Mayor Smith opened the floor for the approval of bills. A motion by Councilwoman McDonald, seconded by Councilman Hines and the Council unanimously voted to approve all bills as presented.

MAYOR AND COUNCIL REPORTS

Councilwoman McDonald, Ward I, informed Council that she had received complaints of high electric bills. Councilwoman Gannon-Miller, Ward II, informed Council that the Ordinance Committee scheduled the public hearing for the urban deer issue on April 20, 2011 and commented on the Planning Commission meeting from February 28, 2011. Councilman

Clendening, Ward III, informed Council of leaf piles and asked if the City was going to get the leaf truck out. Councilwoman Paonessa, Ward III, informed Council that John Poole President of the Charles Town Board of Parks and Recreation Commissioners is resigning and will be sorely missed. Councilman Bringewatt, Ward IV, asked for a report back regarding the high electric bills.

CITY MANAGER REPORT

Mr. Cosentini informed Council that on March 19, 2011 the Jefferson County fireworks fundraiser was held at the Hollywood Casino and that over \$2,000 was raised from the silent auction. Mr. Cosentini also informed Council that the Jefferson County Departments of Planning and Zoning will be hosting a kick-off meeting for the US Route 340 East Gateway Plan on Saturday March 26, 2011 from 10:00 a.m. to 1:00 p.m. at C.W. Shipley Elementary School. Furthermore, Mr. Cosentini informed Council that due to the slim possibility of obtaining earmarks in the upcoming Federal Transportation Equity Act bill for the renovations needed at Charles Washington Hall that Delta Development Group has recommended supporting the creation of new grant programs accessible by local government organizations. These new programs would allow the City to apply for funding for the CW Hall project.

A motion by Councilwoman Paonessa, seconded by Councilwoman McDonald and the Council unanimously voted to adjourn at 7:57 PM.

MAYOR:  DATE: 04/19/11

CLERK:  DATE: 04/19/11

The Common Council of the City of Charles Town, Jefferson County, West Virginia, met in regular session pursuant to the rules of said Common Council in the Council Chambers at City Hall in said city on Monday, May 16, 2011 at 7:00 p.m. The following members of Council were present: Rich Bringewatt, Donald Clendening, MaryLois Gannon-Miller, Chet Hines, Ruth McDaniel, Sandra McDonald, Ann Paonessa and Michael Slover. Mayor Peggy Smith presided and Jeni Sales, Court Clerk, took the minutes of the meeting. Also present were Joe Cosentini, City Clerk/Acting City Manager and Chief Barry Subelsky.

A motion by Councilwoman Paonessa, seconded by Councilwoman McDonald and the Council unanimously voted to dispense with the reading of the minutes dated May 2, 2011. A motion by Councilwoman Paonessa, seconded by Councilwoman McDonald and the Council unanimously voted to approve the minutes dated May 2, 2011 as presented.

PUBLIC COMMENT

Mayor Smith opened the floor for public comments. Jim Keaton, N Lawrence St, appeared before Council to inform Council that he was very pleased with the skateboard event on May 21, 2011.

Mason Cantrell, W Washington St, appeared before Council to thank Council for letting him hold the skateboard event on May 21, 2011.

UNFINISHED BUSINESS

Mayor Smith opened the floor for the public hearing and third reading of AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING SEWERAGE PORTION OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF CHARLES TOWN OF NOT MORE THAN \$17,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO. A motion by Councilman Clendening, seconded by Councilwoman McDonald and the Council unanimously voted to open the public hearing at 7:03 p.m. Being no public comments, a motion by Councilwoman McDaniel, seconded by Councilman Clendening and the

Council unanimously voted to close the public hearing. A motion by Councilman Clendening, seconded by Councilwoman McDaniel and the Council unanimously voted to approve the Third Reading of AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING SEWERAGE PORTION OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF CHARLES TOWN OF NOT MORE THAN \$17,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

REFERRAL TO COMMITTEE

Mayor Smith opened the floor for referral to committee. A motion by Councilwoman Gannon-Miller, seconded by Councilwoman McDaniel and the Council unanimously voted to postpone referring the Willow Springs Financing Options to the Finance Committee.

Mayor Smith opened the floor for the approval of bills. A motion by Councilwoman McDaniel, seconded by Councilwoman McDonald and the Council unanimously voted to approve all bills as presented.

MAYOR AND COUNCIL REPORTS

Mayor Smith informed Council that she attended the Region 9 May 16, 2011 and that Region 9 is going to apply for grant through WV DEP to hire someone that will coordinate the different committees. Councilman Clendening, Ward III, informed Council that he and Councilwoman Paonessa needed to meet with the City Clerk/Acting Manager regarding the County Greens Homeowners Association meeting they had attended. Councilwoman Paonessa, Ward III, informed Council of the Third Thursday event on May 19, 2011, that she attended the First Friday concert and that she attended the skateboard event and that it was well attended. Councilman Bringwatt, Ward III, asked for an update on Happy Retreat.

CITY MANAGER REPORT

Mr. Cosentini updated Council on early voting and informed Council members that he would need the members not running for re-election to serve as the Board of Canvassers and that they would need to meet on Tuesday, May 31, 2011 and Thursday, June 2, 2011 at 7:00 p.m.

Mr. Cosentini also asked Council to authorize the Accounting Department to not book the OPEB liability for FY2012 and all future years. A motion by Councilwoman Paonessa, seconded by Councilman Clendening and, upon discussion, the Council unanimously voted to authorize the Accounting Department to not book the OPEB liability for FY2012.

FINANCE COMMITTEE

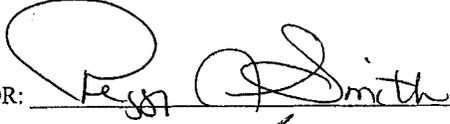
Mayor Smith opened the floor for Finance Committee. A motion by Councilwoman Paonessa, seconded by Councilwoman McDonald and, upon discussion, the Council unanimously voted to approve the recommended donations as presented and are as follows:

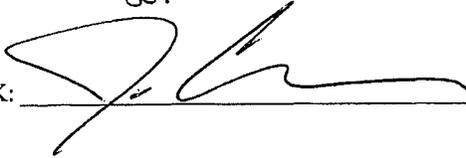
Big Brothers/Sisters	1,000.00
Boys & Girls Club	7,500.00
CASA	2,000.00
Charles Town Middle School	1,000.00
Charles Town/Ranson Little League	1,000.00
Citizens Fire Company	10,000.00
CraftWorks at Cool Spring	500.00
Eastern Panhandle Free Clinic	10,000.00
Focus	1,000.00
Friends in Action	500.00
Good Shepherd Caregivers	1,400.00
Independent Fire Company	10,000.00
Jeff Co Ambulance Authority/Emg Services	5,000.00
Jeff Co Community Ministries	3,000.00
Kiwanis Club	1,000.00
Meals on Wheels	1,250.00
Old Charles Town Library	7,500.00
Old Opera House	7,500.00
Page-Jackson Elem School	1,000.00
Pan Tran	8,000.00
WHS Baseball Boosters	100.00
WHS Football Boosters	100.00
Wright Denny Elem School	1,000.00
Total:	\$81,350.00

PERSONNEL COMMITTEE

Mayor Smith opened the floor for Personnel Committee. A motion by Councilwoman McDaniel, seconded by Councilman Hines and the Council unanimously voted to enter into executive session at 7:24 p.m. to discuss one personnel issue. Council reconvened into regular session at 7:29 PM.

A motion by Councilwoman Paonessa, seconded by Councilwoman McDonald and the Council unanimously voted to adjourn at 7:29 PM.

MAYOR:  DATE: 06/06/11

CLERK:  DATE: 06/06/11

CITY OF CHARLES TOWN

Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A; and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B
(West Virginia SRF Program)

EXCERPT OF MINUTES ON ADOPTION OF SUPPLEMENTAL
RESOLUTION AND SWEEP RESOLUTION

The undersigned Clerk of the City of Charles Town (the "City") hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the Council of the City.

* * *

* * *

* * *

The Council of the City met in regular session, pursuant to notice duly given, on the 5th day of July, 2011, in Charles Town, West Virginia, at the hour of 7:00 p.m.

PRESENT:	Peggy A. Smith	-	Mayor
	Joseph Cosentini	-	Clerk
	Chester A Hines	-	Councilmember
	Ann Paonessa	-	Councilmember
	Sandra Slusher McDonald	-	Councilmember
	Richard J. Bringewatt	-	Councilmember
	Donald W. Clendening	-	Councilmember
	Mark Reinhart	-	Councilmember
ABSENT:	Michael Slover	-	Councilmember
	Wayne Clark	-	Councilmember

Peggy A. Smith, Mayor, presided, and Joseph Cosentini, acted as Clerk.

The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Mayor presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISIONS, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM) AND THE

COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 B (WEST VIRGINIA SRF PROGRAM) OF THE CITY OF CHARLES TOWN; APPROVING AND RATIFYING THE BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion.

Thereupon, on motion duly made by Mark Reinhart and seconded by Ann Paonessa, it was unanimously ordered that the above-entitled Supplemental Resolution be finally enacted and put into effect immediately.

Next, the Mayor presented a proposed Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond Commission. Thereupon, on motion duly made by Chet Hines and seconded by Don Clendening, it was unanimously ordered that the said Sweep Resolution be adopted.

Next, the Mayor presented a proposed Draw Resolution for the payment of invoices. Thereupon, on motion duly made by Don Clendening and seconded by Sandra McDonald, it was unanimously ordered that the said Draw Resolution be adopted.

* * *

* * *

* * *

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

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CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of the City of Charles Town and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 22nd day of July, 2011.


Clerk

144220.00016

WV MUNICIPAL BOND COMMISSION
 1207 Quarrier Street
 Suite 401
 Charleston, WV 25301
 (304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 7/22/2011

ISSUE: City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

ADDRESS: 101 East Washington Street, Charles Town, West Virginia 25414 COUNTY: Jefferson

PURPOSE OF ISSUE:
 New Money: X
 Refunding: _____

ISSUE DATE: 7/22/2011 REFUNDS ISSUE(S) DATED: NA
 CLOSING DATE: 7/22/2011

ISSUE AMOUNT: \$13,147,192 RATE: 0%; 0.5% Admin Fee
 1ST DEBT SERVICE DUE: 3/1/2014 1ST PRINCIPAL DUE: 3/1/2014
 1ST DEBT SERVICE AMOUNT: \$139,563.69 PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Firm: Steptoe & Johnson PLLC
 Contact: John Stump, Esquire
 Phone: (304) 353.8196

UNDERWRITERS COUNSEL Firm: Jackson Kelly, PLLC
 Contact: Samme Gee, Esquire
 Phone: (304) 340-1318

CLOSING BANK: Bank: United Bank, Inc.
 Contact: Jeremy Williams
 Phone: 304.728.8000

ESCROW TRUSTEE: Firm: _____
 Contact: _____
 Phone: _____

KNOWLEDGEABLE ISSUER CONTACT Contact: Peggy A. Smith
 Position: Mayor
 Phone: 304.725.2316

OTHER: Agency: WV Department of Environmental Protection
 Contact: Rosalie Brodersen
 Position: Program Manager
 Phone: 304.926.0499 x1608

DEPOSITS TO MBC AT CLOSE

By: _____	Wire _____	Accrued Interest: \$ _____
_____	Check _____	Capitalized Interest: \$ _____
		Reserve Account: \$ _____
		Other: \$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE

By: _____	Wire _____	To Escrow Trustee \$ _____
_____	Check _____	To Issuer \$ _____
_____	IGT _____	To Cons. Invest. Fun: \$ _____
		To Other: _____ \$ _____

NOTES: The Series 2011 A Bonds Reserve Account will be funded over 10 years.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
 DOCUMENTS REQUIRED: _____
 TRANSFERS REQUIRED: _____

WV MUNICIPAL BOND COMMISSION

1207 Quarrier Street
Suite 401
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 7/22/2011

ISSUE: <u>City of Charles Town</u>	
<u>Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B</u>	
<u>(West Virginia SRF Program)</u>	
ADDRESS: <u>101 East Washington Street, Charles Town, West Virginia 25414</u>	COUNTY: <u>Jefferson</u>
PURPOSE OF ISSUE:	
New Money: <u>X</u>	REFUNDS ISSUE(S) DATED: <u>NA</u>
Refunding: _____	
ISSUE DATE: <u>7/22/2011</u>	CLOSING DATE: <u>7/2/2011</u>
ISSUE AMOUNT: <u>\$2,000,000</u>	RATE: <u>0%; 0.5% Admin Fee</u>
1ST DEBT SERVICE DUE: <u>3/1/2018</u>	1ST PRINCIPAL DUE <u>3/1/2018</u>
1ST DEBT SERVICE AMOUNT <u>see dss</u>	PAYING AGENT: <u>Municipal Bond Commission</u>
BOND COUNSEL:	
Firm: <u>Steptoe & Johnson PLLC</u>	UNDERWRITERS COUNSEL
Contact: <u>John Stump, Esquire</u>	Firm: <u>Jackson Kelly, PLLC</u>
Phone: <u>(304) 353.8196</u>	Contact: <u>Samme Gee, Esquire</u>
	Phone: <u>(304) 340-1318</u>
CLOSING BANK:	
Bank: <u>United Bank, Inc.</u>	ESCROW TRUSTEE:
Contact: <u>Jeremy Williams</u>	Firm: _____
Phone: <u>304.728.8000</u>	Contact: _____
	Phone: _____
KNOWLEDGEABLE ISSUER CONTACT	
Contact: <u>Peggy A. Smith</u>	OTHER:
Position: <u>Mayor</u>	Agency: <u>WV Department of Environmental</u>
Phone: <u>304.725.2316</u>	<u>Protection</u>
	Contact: <u>Rosalie Brodersen</u>
	Position: <u>Program Manager</u>
	Phone: <u>304.926.0499 x1608</u>
DEPOSITS TO MBC AT CLOSE	
By: _____ Wire _____	Accrued Interest: \$ _____
_____ Check _____	Capitalized Interest: \$ _____
	Reserve Account: \$ _____
	Other: \$ _____
REFUNDS & TRANSFERS BY MBC AT CLOSE	
By: _____ Wire _____	To Escrow Trustee \$ _____
_____ Check _____	To Issuer \$ _____
_____ IGT _____	To Cons. Invest. Fun \$ _____
	To Other: _____ \$ _____
NOTES: <u>The Series 2011 B Bonds Reserve Account will be funded monthly and the Issuer has also covenanted to transfer the Series 1998 Bonds Reserve Account and the Series 2000 A Bonds Reserve Account to the Series 2011 B Bonds Reserve Account upon maturity of the Series 1998 Bonds and Series 2000 A Bonds, respectively</u>	
FOR MUNICIPAL BOND COMMISSION USE ONLY:	
DOCUMENTS REQUIRED: _____	
TRANSFERS REQUIRED: _____	

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A; and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B
(West Virginia SRF Program)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

United Bank, Inc., Charles Town, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of the City of Charles Town (the "Issuer") enacted by the Issuer on May 16, 2011, and a Supplemental Resolution adopted by the Issuer on July 5, 2011 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), dated July 22, 2011, in the aggregate principal amount of \$13,147,192; and Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B (West Virginia SRF Program), dated July 22, 2011, in the aggregate principal amount of \$2,000,000 (collectively, the "Series 2011 Bonds"), and agrees to serve as Depository Bank in connection with the Series 2011 Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 22nd day of July, 2011.

UNITED BANK, INC.


Its: Authorized Officer

144220.00016

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A; and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B
(West Virginia SRF Program)

ACCEPTANCE OF DUTIES AS REGISTRAR

The Huntington National Bank, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), dated July 22, 2011, in the aggregate principal amount of \$13,147,192 and Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B (West Virginia SRF Program), dated July 22, 2011, in the aggregate principal amount of \$2,000,000 (collectively, the "Series 2011 Bonds"), and agrees to perform all duties of Registrar in connection with the Series 2011 Bonds, all as set forth in the Bond Legislation authorizing issuance of the Series 2011 Bonds.

WITNESS my signature on this 22nd day of July, 2011.

THE HUNTINGTON NATIONAL BANK
Charleston, West Virginia

By: 
Its Authorized Officer

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A; and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B
(West Virginia SRF Program)

CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of the City of Charles Town (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), of the Issuer, dated July 22, 2011, in the principal amount of \$13,147,192, numbered AR-1, and the single, fully registered Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B (West Virginia SRF Program), of the Issuer, dated July 22, 2011 in the principal amount of \$2,000,000, numbered BR-1, were registered as to principal and interest, if any, in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 22nd day of July, 2011.

THE HUNTINGTON NATIONAL BANK
Charleston, West Virginia

By: 
Its: Authorized Officer

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A; and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B
(West Virginia SRF Program)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 22nd day of July, 2011, by and between the CITY OF CHARLES TOWN, municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$13,147,192 principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 20101 A (West Virginia SRF Program), and \$2,000,000 principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B (West Virginia SRF Program), in fully registered form (collectively, the "Series 2011 Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted May 16, 2011, and a Supplemental Resolution of the Issuer duly adopted July 5, 2011 (collectively, the "Bond Legislation");

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

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Series 2011 A Bonds; and

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

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

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Series 2011 A Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest on the Series 2011 A Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's

authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

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

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

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

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

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

ISSUER: City of Charles Town
Post Office Box 14
Charles Town, West Virginia 25414-0014
Attention: Mayor

REGISTRAR: The Huntington National Bank
One Huntington Square
Charleston, West Virginia 25301
Attention: Corporate Trust Department

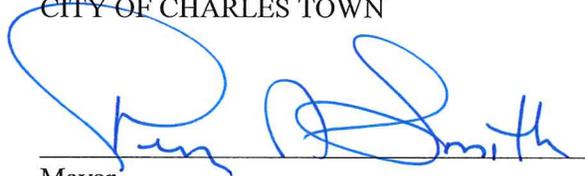
8. The Registrar is hereby requested and authorized to authenticate and deliver the Series 2011 A Bonds in accordance with the Bond Legislation.

9. The Registrar shall not discriminate on the basis of race, color, national origin or sex in the performance of this Agreement. The registrar shall carry out applicable requirements of 40 CFR part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the Registrar to carry out these requirements is a material breach of this Agreement which may result in the termination of this Agreement or other legal available remedies.

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

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

CITY OF CHARLES TOWN



Mayor

THE HUNTINGTON NATIONAL BANK
Charleston, West Virginia

By: _____
Its: Authorized Officer

144220.00016

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

CITY OF CHARLES TOWN

Mayor

THE HUNTINGTON NATIONAL BANK
Charleston, West Virginia

By: 
Its: Authorized Officer

144220.00016

EXHIBIT A

Bond Legislation included in bond transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

(See Attached)

Private Financial Group
P.O. Box 633 - WE3013
Charleston, West Virginia 25322-0633



STATEMENT OF REGISTRAR'S FEES
Invoice Date July 22, 2011

City of Charles Town
Account Number 6089001809

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds,
Series 2011 A
c/o John C. Stump
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

FEE CALCULATION FOR July, 2011

TOTAL AMOUNT	\$ 500.00
TOTAL DUE	<u>\$ 500.00</u>

MAIL CHECK TO:
THE HUNTINGTON NATIONAL BANK
ATTN: BARRY GRIFFITH – WE3013
PO BOX 633
CHARLESTON, WV 25322-0633

PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR PAYMENT

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT
Barry Morgan Griffith at (304) 348-5035

Private Financial Group
P.O. Box 633 - WE3013
Charleston, West Virginia 25322-0633



STATEMENT OF REGISTRAR'S FEES
Invoice Date July 22, 2011

City of Charles Town
Account Number 6089001809

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds,
Series 2011 B
c/o John C. Stump
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

FEE CALCULATION FOR July, 2011

TOTAL AMOUNT	\$ 500.00
TOTAL DUE	<u>\$ 500.00</u>

MAIL CHECK TO:
THE HUNTINGTON NATIONAL BANK
ATTN: BARRY GRIFFITH – WE3013
PO BOX 633
CHARLESTON, WV 25322-0633

PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR PAYMENT

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT
Barry Morgan Griffith at (304) 348-5035



CERTIFICATE OF LIABILITY INSURANCE

OP ID: CM

DATE (MM/DD/YYYY)

10/14/10

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Commercial Insurance Services 340 MacCorkle Ave. Ste #200 Charleston, WV 25314 Trip King	304-345-8000 304-345-8014	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS: PRODUCER CUSTOMER ID #: CHAR-16
INSURED Charles Town Utility Board Jane Arnett, Utility Manager 832 South George Street Charles Town, WV 25414	INSURER(S) AFFORDING COVERAGE INSURER A: Argonaut Great Central Ins. Co INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	NAIC #

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

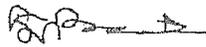
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			PE-4622082-00	08/01/10	08/01/11	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ N/A PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 6,000,000 PRODUCTS - COMP/OP AGG \$ 6,000,000 Emp Ben. \$ 1,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			PE-4622082-00	08/01/10	08/01/11	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ \$
A	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB CLAIMS-MADE DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$			PE-4622082-00	08/01/10	08/01/11	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	PE-4622082-00	08/01/10	08/01/11	WC STATUTORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 Certificate holder is named as additional insured as respects Water Project at City of Charles Town.

CERTIFICATE HOLDER

CANCELLATION

WV Water Development Authority 180 Association Drive Charleston, WV 25311	WVDCHA SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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CLOSING MEMORANDUM

To: Financing Team

From: John C. Stump, Esquire

Date: July 22, 2011

Re: City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A
(West Virginia SRF Program); and Combined Waterworks and Sewerage
System Revenue Bonds, Series 2011 B (West Virginia SRF Program)

1. DISBURSEMENTS TO THE CITY OF CHARLES TOWN

Payor: West Virginia Department of Environmental Protection
Source: Series 2011 A Bonds Proceeds
Amount: \$657,360
Form: Wire
Payee: City of Charles Town, 101 East Washington Street, Charles Town,
WV 25414
Bank: United Bank, Inc.
Routing #: 051900395
Account #: 006226-1698
Contact: Jeremy Williams, 304.728.8000
106 West Washington Street, Charles Town, WV 25414
Account: Series 2011 Bonds Construction Trust Fund

Payor: West Virginia Department of Environmental Protection
Source: Series 2011 B Bonds Proceeds
Amount: \$100,000
Form: Wire
Payee: City of Charles Town, 101 East Washington Street, Charles Town,
WV 25414
Bank: United Bank, Inc.
Routing #: 051900395
Account #: 006226-1698
Contact: Jeremy Williams, 304.728.8000
106 West Washington Street, Charles Town, WV 25414
Account: Series 2011 Bonds Construction Trust Fund

144220.00016

5429232

State of West Virginia
WATER DEVELOPMENT AUTHORITY
 180 Association Drive, Charleston, WV 25311-1217
 (304) 558-3612 - (304) 558-0299 (Fax)
 Internet: www.wvwda.org - Email: contact@wvwda.org

PRECLOSING ATTENDANCE LIST

Date 7/21/2011 Time 1:00 PM LGA Charles Town Program CWSRF

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
Carol A. Cummings	WDA	304-414-6500	304-558-0299	Cummings@wvwda.org
Ryan White	Jackson Kelly PLLC	304-340-1283	304-340-1272	rwhite@jacksonkelly.com
Rose Brodresen	WV DEP	304-926-0499 x1608	304-926-0499	rosalie.w.brodresen@wv.gov
John Stump	Stetoe Johnson PLLC	304-553-8196	304-353-8181	john.stump@stetoe-johnson.com

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

Name Jane Arnett, Utility Board Telephone 304.725.2316 E-Mail janett@charlestontilities.com
 Address 832 South George Street, Charles Town, WV 25414

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

SWEEP RESOLUTION

WHEREAS, the City of Charles Town (the "Issuer") is a governmental body and political subdivision of West Virginia;

WHEREAS, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

WHEREAS, the Issuer makes monthly debt service payments on the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

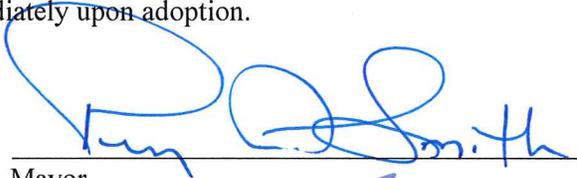
WHEREAS, the MBC may accept such monthly payments by electronic funds transfer thereby eliminating delay in payments and lost checks;

WHEREAS, the Issuer find and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic transfer with the State Treasurer **sweeping** the Issuer's account.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

- 1) The monthly debt service payments on the Bonds, as set forth in Exhibit A, shall be made to the MBC by electronic transfer by the State Treasurer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.
- 2) The Mayor, Clerk and City Manager are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.
- 3) This resolution shall be effective immediately upon adoption.

Adopted this 5th day of July, 2011



Mayor



Clerk



City Manager



WEST VIRGINIA

Water Development Authority

Celebrating 36 Years of Service 1974 - 2010

July 22, 2011

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A; and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B
(West Virginia SRF Program)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of J C Kunkle & Associates, the independent certified public accountant and an opinion of Steptoe & Johnson PLLC, bond counsel, that the coverage and parity tests have been met, the undersigned duly authorized representative of the West Virginia Water Development Authority (the "Authority"), the registered owner of the entire outstanding aggregate principal amount of the Prior Bonds, hereinafter defined and described, hereby consents to the issuance of the Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), in the original aggregate principal amount of \$13,147,192, and the Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B (West Virginia SRF Program), in the original aggregate principal amount of \$2,000,000 (collectively, the "Series 2011 Bonds"), by the City of Charles Town (the "Issuer"), under the terms of the ordinance authorizing the Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's: (i) Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B, dated November 18, 1987, issued in the original aggregate principal amount of \$413,629 ("Series 1987 B Bonds"); (ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1, dated May 4, 1988, issued in the original aggregate principal amount of \$295,916 ("Series 1988 B-1 Bonds"); (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2, dated May 20, 1988, issued in the original aggregate principal amount of \$558,000 ("Series 1988 B-2 Bonds"); (iv) Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B, dated April 13, 1989, issued in the original aggregate principal amount of \$117,480 ("Series 1989 B Bonds"); (v) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1998 (West Virginia SRF Program), dated September 29, 1998, issued in the original aggregate principal amount of \$437,601 ("Series 1998 Bonds"); (vi) Combined Waterworks and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of \$3,163,781 ("Series 2000 A Bonds"); (vii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), dated August 22, 2002, issued in the original aggregate principal amount of \$1,100,000 ("Series 2002 A Bonds"); (viii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), dated August 22, 2002, issued in the original aggregate principal amount of \$3,600,000 ("Series 2002 B Bonds"); (ix) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program), dated January 13, 2010, issued in the original aggregate

180 Association Drive, Charleston, WV 25311-1217

Phone (304) 558-3612 / fax (304) 558-0299

www.wvwda.org

principal amount of \$912,458 (“Series 2010 A Bonds”); (x) Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA), dated January 13, 2010, issued in the original aggregate principal amount of \$100,000 (“Series 2010 B Bonds”); (xi) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 C (West Virginia SRF Program) dated December 2, 2010, issued in the original aggregate principal amount of \$1,250,000, (the “Series 2010 C Bonds”); and (xii) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 2010 D (West Virginia SRF Program), dated December 2, 2010, issued in the original aggregate principal amount of \$500,000 (the “Series 2010 D Bonds”), (collectively, the “Prior Bonds”).

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By: Carol A. Cummings
Its: Authorized Representative

2008S-1069
**RESOLUTION OF THE CITY OF CHARLES TOWN
 APPROVING INVOICES RELATING TO SERVICES FOR THE
 SEWERAGE SYSTEM IMPROVEMENT PROJECT
 AND AUTHORIZING PAYMENT THEREOF,**

WHEREAS, The City of Charles Town, has reviewed the invoices attached hereto and incorporated herein by reference relation to the Project funded by the WV Department of Environmental Protection, Clean Water State Revolving Fund (CWSRF), and find as follows:

- 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 paid 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.
- d) That the payment for each of the items proposed is due and owing.

NOW, THEREFOR, BE IT RESOLVED by the City of Charles Town as follows: There is hereby authorized and directed the payment of the attached invoices as follows:

Vendor	Total	Series 2011 A Bonds	Series 2011 B Bonds
Steptoe & Johnson (Bond Counsel)	30,000.00	30,000.00	0.00
Huntington Bank (Registrar)	1,000.00	500.00	500.00
Black and Veatch Corporation	255,030.00	255,030.00	0.00
Construction Fund	471,330.00	371,330.00	99,500.00
Total	\$757,360.00	\$657,360.00	\$100,000.00

ADOPTED BY the City of Charles Town, at the meeting held on the 5th day of July, 2011.

City of Charles Town

By: 

Its: Mayor



BLACK & VEATCH

~ INVOICE ~

BLACK & VEATCH CORPORATION

PAGE 1

PLEASE REMIT TO:

BLACK & VEATCH CORPORATION
P. O. BOX 803823
KANSAS CITY MO 64180-3823
FED ID: 431833073

ELECTRONIC FUNDS TRANSFER TO:
BLACK & VEATCH CORPORATION
ACCOUNT NUMBER: 5336422
COMMERCE BANK, KC, MO. USA
ABA NUMBER 101000019
S.W.I.F.T. NO. CBKCU544
PLEASE INCLUDE INVOICE NUMBER
ORG ID 1204

CLIENT REF : 172798

INVOICE DATE: 30-MAR-2011
BILLED THRU : 04-MAR-2011
PAYMENT DUE : 29-APR-2011
TERMS : 30 NET

INVOICE NO : 1114888
PROJECT NAME: CTUB TO #28 TUSCAWILLA WW
PROJECT NO : 172798
B&V CONTACT : HANNA, K. M
TELEPHONE : 301/921-2877

JANE ARNETT
CHARLES TOWN WV CITY OF
932 S. GEORGE STREET
CHARLES TOWN WV 25414

INVOICE COMMENTS 1a

DESCRIPTION	HOURS	RATE	LABOR	EXPENSE	AMOUNT
ANDERSON, KEITH M	15.00	84.0000	1,260.00		1,260.00
BARNES, REBECCA R	6.00	84.0000	504.00		504.00
BLAIR, ELIZABETH A	54.00	115.0000	6,210.00		6,210.00
BRANNAN, TYLER E	42.00	108.0000	4,536.00		4,536.00
CARNEY, ALAN E	28.00	146.0000	4,088.00		4,088.00
CHOO, CATHERINE S	11.00	84.0000	924.00		924.00
DAVIS, MICHAEL D	19.00	115.0000	2,185.00		2,185.00
DENNIS, JOHN F	6.00	84.0000	504.00		504.00
GAITAN-GIROM, IRIS	5.00	84.0000	420.00		420.00
GALUSKA, CRAIG M	143.00	189.0000	27,027.00		27,027.00
GASS, JULIA V	16.00	197.0000	3,152.00		3,152.00
HANIEH, ISMAIL F	19.00	197.0000	3,743.00		3,743.00
HANNA, K. M	26.00	189.0000	4,914.00		4,914.00
HUSKA, BRIAN C	70.00	108.0000	7,560.00		7,560.00
JAIN, CHARU	89.00	108.0000	9,612.00		9,612.00
KLAUSNER, KAREN Y	1.00	84.0000	84.00		84.00
KLEVEITER, MARK C	3.00	197.0000	591.00		591.00
LEE, STEPHANIE R	1.00	84.0000	84.00		84.00

PENALTIES FOR LATE PAYMENT WILL BE ASSESSED AT 15% PER ANNUM, UNLESS OTHERWISE STATED IN THE CONTRACT

DESCRIPTION	HOURS	RATE	LABOR	EXPENSE	AMOUNT
LEVESQUE, SCOTT D	4.00	146.0000	584.00		584.00
MCKEE, S. J	40.00	146.0000	5,840.00		5,840.00
MEJIA, ENRIQUE	15.00	146.0000	2,190.00		2,190.00
MODI, JIMIT N	116.00	108.0000	12,528.00		12,528.00
NELSON, DAVID W	7.00	197.0000	1,379.00		1,379.00
OLSON, ZACKARY K	15.00	108.0000	1,620.00		1,620.00
PRICE, GARY W	15.00	197.0000	2,955.00		2,955.00
ROBINSON, STEVEN A	7.00	146.0000	1,022.00		1,022.00
SCHAUER, PETER J	26.00	115.0000	2,990.00		2,990.00
STOLINSKI, THEODORE J	1.00	197.0000	197.00		197.00
THOMAS, MARIA S	34.00	84.0000	2,856.00		2,856.00
TRUPKA, DENNIS J	30.00	146.0000	4,380.00		4,380.00
VIZCARRA, RICARDO	25.00	108.0000	2,700.00		2,700.00
WISDOX, KRAISTEN B	28.00	108.0000	3,024.00		3,024.00
POSTAGE				38.78	38.78
	<u>917.00</u>		<u>121,663.00</u>	<u>38.78</u>	<u>121,701.78</u>

TOTAL DUE (USD)

121,701.78

CONTRACT MAXIMUM

1,052,364.00

TOTAL BILLED TO DATE

121,701.78

PENALTIES FOR LATE PAYMENT WILL BE ASSESSED AT 15% PER ANNUM, UNLESS OTHERWISE STATED IN THE CONTRACT



BLACK & VEATCH

BLACK & VEATCH CORPORATION

PAGE 1

~ INVOICE ~

PLEASE REMIT TO:
 BLACK & VEATCH CORPORATION
 P.O. BOX 803823
 KANSAS CITY MO 64180-3823
 FED ID: 431833073

ELECTRONIC FUNDS TRANSFER TO:
 BLACK & VEATCH CORPORATION
 ACCOUNT NUMBER: 5336422
 COMMERCE BANK, KC, MO. USA
 ABA NUMBER 101000019
 S.W.I.F.T. NO. CBKCUS44

CLIENT REF : 172798

INVOICE DATE: 14-APR-2011
 BILLED THRU : 01-APR-2011
 PAYMENT DUE : 14-MAY-2011
 TERMS : 30 NET

PLEASE INCLUDE INVOICE NUMBER

ORG ID 1204

INVOICE NO : 1115771
 PROJECT NAME: CTUB TO #28 TUSCANWILLA WWI
 PROJECT NO : 172798
 B&V CONTACT : HANNA, K. M
 TELEPHONE : 301/921-2877

JANE ARNETT
 CHARLES TOWN WV CITY OF
 832 S. GEORGE STREET
 CHARLES TOWN WV 25414

INVOICE COMMENTS 1a

DESCRIPTION	HOURS	RATE	LABOR	EXPENSE	AMOUNT
ANDERSON, KEITH M	5.00	84.0000	420.00		420.00
BLAIR, ELIZABETH A	4.00	115.0000	460.00		460.00
BRANNAN, TYLER E	8.00	109.0000	864.00		864.00
CARNEY, ALAN E	5.00	146.0000	730.00		730.00
CHOC, CATHERINE S	8.00	84.0000	672.00		672.00
DAVIS, MICHAEL D	4.00	115.0000	460.00		460.00
GAITAN-GIRON, IRIS	23.00	84.0000	1,932.00		1,932.00
JALUSKA, CRAIG M	79.00	189.0000	14,931.00		14,931.00
GASS, JULIA V	2.00	197.0000	394.00		394.00
GUNTUPALLE, VISHNU TEJA	10.00	146.0000	1,460.00		1,460.00
HANJEH, ISMAIL F	1.00	197.0000	197.00		197.00
HANNA, K. M	4.00	189.0000	756.00		756.00
HUSKA, BRIAN C	28.00	108.0000	3,024.00		3,024.00
JAIN, CHARU	34.00	108.0000	3,672.00		3,672.00
KLEVEYER, MARK J	13.00	197.0000	2,561.00		2,561.00
LEE, STEPHANIE R	3.00	84.0000	252.00		252.00
LONG, CORJ	2.00	197.0000	394.00		394.00
MEDIA, DHRJQUE	3.00	146.0000	438.00		438.00

INVOICE NO : 1116771

DESCRIPTION	HOURS	RATE	LABOR	EXPENSE	AMOUNT
MORI, JIMIE K	87.00	108.0000	9,396.00		9,396.00
NELSON, DAVID W	6.00	197.0000	1,182.00		1,182.00
OLSON, JACKARY K	11.00	108.0000	1,188.00		1,188.00
PRICE, GARY W	1.00	197.0000	197.00		197.00
SCHILAN HOFF, PATRICIA	3.00	197.0000	591.00		591.00
SCHAUER, PETER J	12.00	115.0000	1,380.00		1,380.00
TRUPKA, DENNIS J	1.00	146.0000	146.00		146.00
OUTSIDE REPRODUCTION				970.91	970.91
POSTAGE				137.87	137.87
	<u>357.00</u>		<u>47,697.00</u>	<u>1,109.78</u>	<u>48,805.78</u>

TOTAL DUE (USD)

48,805.78

CONTRACT MAXIMUM

1,052,364.00

TOTAL BILLED TO DATE

170,507.56



BLACK & VEATCH

~ INVOICE ~

BLACK & VEATCH CORPORATION

PAGE 1

PLEASE REMIT TO:
 BLACK & VEATCH CORPORATION
 P.O. BOX 803823
 KANSAS CITY MO 64180-3823
 FED ID:431833073

ELECTRONIC FUNDS TRANSFER TO:
 BLACK & VEATCH CORPORATION
 ACCOUNT NUMBER: 5336422
 COMMERCE BANK, KC, MO. USA
 ABA NUMBER 101000019
 S.W.I.F.T. NO. CBKCUS44
 PLEASE INCLUDE INVOICE NUMBER
 ORG ID 1204

CLIENT REF : 172798

INVOICE DATE: 23-MAY-2011
 BILLED THRU : 06-MAY-2011
 PAYMENT DUE : 22-JUN-2011
 TERMS : 30 NET

JANE ARNETT
 CHARLES TOWN WV CITY OF
 832 S. GEORGE STREET
 CHARLES TOWN WV 25414

INVOICE NO : 1118127
 PROJECT NAME: CTUB TO #28 TUSCAWILLA WWI
 PROJECT NO : 172798
 BEV CONTACT : HANNA, K. M
 TELEPHONE : 301/921-2877

INVOICE COMMENTS 1a

DESCRIPTION	HOURS	RATE	LABOR	EXPENSE	AMOUNT
ANDERSON, KEITH M	6.00	84.0000	504.00		504.00
BRANNAN, TYLER E	9.00	108.0000	972.00		972.00
CARNEY, ALAN E	2.00	146.0000	292.00		292.00
CHOO, CATHERINE S	3.00	84.0000	252.00		252.00
SALTAN-GIRON, IRIS	39.00	84.0000	3,276.00		3,276.00
GALLSKA, CRAIG M	76.00	189.0000	14,364.00		14,364.00
GASS, JULIA V	2.00	197.0000	394.00		394.00
GUNTUPALLI, VISHNU TEJA	27.00	146.0000	3,942.00		3,942.00
HANIEH, ISMAIL F	4.00	197.0000	788.00		788.00
HANNA, K. M	17.00	189.0000	3,213.00		3,213.00
HUSKA, BRIAN C	21.00	108.0000	2,268.00		2,268.00
KLAUSNER, KAREN M	1.00	84.0000	84.00		84.00
KLEYETER, MARK J	2.00	197.0000	394.00		394.00
LEE, STEPHANIE R	1.00	84.0000	84.00		84.00
MEJIA, ENRIQUE	1.00	146.0000	146.00		146.00
MOOI, JIMIT N	133.00	108.0000	14,364.00		14,364.00
OLSON, ZACKARY K	18.00	108.0000	1,944.00		1,944.00
PITTMAN, LARRY D	17.00	182.0000	3,094.00		3,094.00

PENALTIES FOR LATE PAYMENT WILL BE ASSESSED AT 15% PER ANNUM, UNLESS OTHERWISE STATED IN THE CONTRACT.

DESCRIPTION	HOURS	RATE	LABOR	EXPENSE	AMOUNT
BOUNCEY, JOHN W	46.00	94.0000	4,324.00		4,324.00
RACKOW, MARK W	1.00	182.0000	182.00		182.00
ROSAS-HERNANDEZ, GABRIE	80.00	102.0000	8,160.00		8,160.00
SCHAUER, PETER J	32.00	197.0000	6,304.00		6,304.00
OUTSIDE REPRODUCTION				2,398.27	2,398.27
POSTAGE				121.36	121.36
	<u>538.00</u>		<u>69,345.00</u>	<u>2,519.63</u>	<u>71,864.63</u>

TOTAL DUE (USD)

71,864.63

CONTRACT MAXIMUM

1,052,364.00

TOTAL BILLED TO DATE

242,372.19



BLACK & VEATCH

BLACK & VEATCH CORPORATION

~ INVOICE ~

PAGE 1

PLEASE REMIT TO:

BLACK & VEATCH CORPORATION
P.O. BOX 803823
KANSAS CITY MO 64180-3823
FED ID:431833073

ELECTRONIC FUNDS TRANSFER TO:
BLACK & VEATCH CORPORATION
ACCOUNT NUMBER: 5336422
COMMERCE BANK, KC, MO. USA
ABA NUMBER 101000019
S.W.I.F.T. NO. CBKCUS44

CLIENT REF : 172798

INVOICE DATE: 14-JUN-2011
BILLED THRU : 03-JUN-2011
PAYMENT DUE : 14-JUL-2011
TERMS : 30 NET

PLEASE INCLUDE INVOICE NUMBER

ORG ID 1204

INVOICE NO : 1119295
PROJECT NAME: CTUB TO #28 TUSCANILLA WW
PROJECT NO : 172798
B&V CONTACT : HANNA, K. M
TELEPHONE : 301/921-2877

JANE ARNETT
CHARLES TOWN WV CITY OF
832 S. GEORGE STREET
CHARLES TOWN WV 25414

INVOICE COMMENTS 1a

DESCRIPTION	HOURS	RATE	LABOR	EXPENSE	AMOUNT
CHOC, CATHERINE S	2.00	84.0000	168.00		168.00
EDWARDS, ALAN D	35.00	146.0000	5,110.00		5,110.00
GAITAN-GIRON, IRIS	8.00	84.0000	672.00		672.00
GALUSKA, CRAIG M	9.00	189.0000	1,701.00		1,701.00
HANNA, K. M	18.00	189.0000	3,402.00		3,402.00
LEE, STEPHANIE R	2.00	84.0000	168.00		168.00
MODI, JIM N	8.00	108.0000	864.00		864.00
OLSON, ZACKARY K	1.00	108.0000	108.00		108.00
ROSAS-HERNANDEZ, GABRIE	4.00	102.0000	408.00		408.00
POSTAGE				56.11	56.11
	87.00		12,601.00	56.11	12,657.11

TOTAL DUE (USD)

12,657.11

CONTRACT MAXIMUM

1,052,364.00

TOTAL BILLED TO DATE

255,029.30

CHARLESTON, WEST VIRGINIA 25326

IN ACCOUNT WITH

STEPTOE & JOHNSON PLLC

Attorneys at Law

FEIN 55-0286140

July 22, 2011

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A; and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 B
(West Virginia SRF Program)

Services as Bond Counsel and Out-of-pocket expenses	\$30,000.00
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TOTAL DUE	<u>\$30,000.00</u>
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John Stump
Steptoe & Johnson
P.O. Box 1588
Charleston, West Virginia 25326

144220.00016