

TOWN OF LEON

**Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)**

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**TOWN OF LEON
SEWER REVENUE BONDS, SERIES 2009 B
(WEST VIRGINIA SRF PROGRAM/ARRA)**

BOND ORDINANCE

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TOWN OF LEON

BOND ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF A PUBLIC SEWERAGE SYSTEM OF THE TOWN OF LEON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$3,325,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA); 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 AN ARRA ASSISTANCE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

LEON: BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE TOWN OF

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. The Town of Leon (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Mason County of said State.

B. The Issuer deems it necessary and desirable for the health and welfare of

the inhabitants of the Issuer that there be constructed a public sanitary sewer system, consisting of construction a sewerage system consisting of 12,775 linear feet of 8" gravity sewer line, 5,335 linear feet of 6" gravity sewer line, 123 manholes, 11,265 linear feet of force mains, 3 duplex pumping stations, 17 simplex pumping stations, a 30,000 gpd extended aeration package wastewater treatment plant and all necessary appurtenances (the "Project") (the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Recorder of the Issuer.

C. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), in the total aggregate principal amount of not more than \$3,325,000 (the "Series 2009 B Bonds"), initially to be represented by a single bond, to permanently finance a portion of the costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the SRF Program; amounts which may be deposited in the Series 2009 B Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; commitment fees; fees and expenses of the Authority (as hereafter defined), including the SRF Administrative Fee (as hereafter defined); discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2009 B 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 2009 B Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

D. The period of usefulness of the System after completion of the Project is not less than 40 years.

E. It is in the best interests of the Issuer that its Series 2009 B Bonds be sold to the West Virginia Water Development Authority (the "Authority") pursuant to the terms and provisions of a ARRA assistance agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), in form satisfactory to the Issuer, the Authority, and the DEP (the "ARRA Assistance Agreement"), to be approved hereby if not previously approved by resolution of the Issuer.

F. On the Closing Date, there will be no outstanding obligations of the Issuer which will rank on parity with the Series 2009 B Bonds as to liens, pledge, source of and security for payment or are secured by revenues or assets of the System.

G. 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 Bonds (as hereinafter defined) and to make all payments into all funds, accounts and other payments provided for herein.

H. The Issuer has complied with all requirements of West Virginia law and the ARRA Assistance Agreement relating to authorization of the acquisition and construction of the Project and the operation of the System and issuance of the Series 2009 B Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a certificate of public convenience and necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2009 B Bonds or such final order will not be subject to appeal.

I. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board, and the Sanitary Board has petitioned the Governing Body to issue the Series 2009 B Bonds for the purposes set forth herein.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2009 B Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 2009 B Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

“Act” means, collectively, Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

“ARRA Assistance Agreement” means the ARRA Assistance Agreement heretofore entered into, or to be entered into, by and among the Issuer, the Authority and the DEP, providing for the purchase of the Series 2009 B 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.

“Authority” means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2009 B Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the DEP under the Act.

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

“Board” means the Sanitary Board of the Issuer.

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

“Series 2009 B Bond Construction Trust Fund” means the Bond Construction Trust Fund established by section 5.01 hereof.

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

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

“Bonds” means, collectively, the Series 2009 B 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.

“Closing Date” means the date upon which there is an exchange of the Series 2009 B Bonds for all or a portion of the proceeds of the Series 2009 B Bonds from the Authority and the DEP.

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

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

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

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

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

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

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

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

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

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

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

“Gross Revenues” means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided that, “Gross Revenues” 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 Town of Leon, a municipal corporation and political subdivision of the State of West Virginia, in Mason 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 2009 B Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2009 B Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2009 B 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 reasonable, proper and necessary costs of repair, maintenance and operation of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the costs, the SRF Administrative Fee, fees and expenses of the Authority, fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as herein defined), other than those capitalized as part of the costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that “Operating Expenses” does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

“Outstanding,” when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered, except (i) any Bond cancelled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which 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; and (iv) for purposes of consents or other action by a specified percentage of Bondholders, any Bonds registered to the Issuer.

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

“Paying Agent” means the Commission or other entity or authority designated as such for the Series 2009 B Bonds in the Supplemental Resolution, with the written consent of the Authority and the DEP.

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

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

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

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

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

(h) The West Virginia "consolidated fund" managed by the West Virginia 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 gross income for federal income tax purposes, and which are rated at least "A" by Moody's Investors Service, Inc. or Standard & Poor's Corporation.

"Recorder" means the Recorder of the Issuer.

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

"Registrar" means the Bond Registrar.

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by Section 5.01 hereof.

“Reserve Accounts” means, the reserve account established by Section 5.01 hereof for the Series 2009 B Bonds.

“Reserve Requirement” means collectively, the respective amounts required to be on deposit in any Reserve Account.

“Revenue Fund” means the Revenue Fund established by Section 5.01 hereof.

“Series 2009 B Bonds” means Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), of the Issuer, authorized by this Bond Legislation.

“Series 2009 B Bonds Construction Trust Fund” means the Series 2009 B Bonds Construction Trust Fund established by Section 5.01 hereof.

“Series 2009 B Bonds Reserve Account” means the Series 2009 B Bonds Reserve Account established by Section 5.02 hereof.

“Series 2009 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 2009 B Bonds in the then current or any succeeding year.

“Series 2009 B Bonds Sinking Fund” means the Series 2009 B Bonds Sinking Fund established by Section 5.02 hereof.

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

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

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

“State” means the State of West Virginia.

“Supplemental Resolution” means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article “the,” refers specifically to the supplemental resolution authorizing the sale of the Series 2009 B Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental

Resolution with respect to the Series 2009 B Bonds, and not so included may be included in another Supplemental Resolution.

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

“System” means, collectively, the Project and any and all additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever, both within and without the Issuer.

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project.
There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed \$4,825,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2009 B Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received or will receive bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the DEP.

The cost of the Project is estimated not to exceed \$4,825,000, of which not more than \$3,325,000 will be obtained from the proceeds of the Series 2009 B Bonds and \$1,500,000 will be obtained from a Small Cities Block Grant.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF ARRA ASSISTANCE AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest, if any, on the Series 2009 B Bonds, funding a reserve account for the Series 2009 B Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2009 B Bonds of the Issuer. The Series 2009 B Bonds shall be issued as a single bond, designated "Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA)", in the principal amount of not more than \$3,325,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2009 B Bonds remaining after funding of the Series 2009 B Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2009 B Bonds, if any, shall be deposited in or credited to the Series 2009 B Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2009 B 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 ARRA Assistance Agreement. The Series 2009 B Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2009 B Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2009 B Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2009 B Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2009 B Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2009 B Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2009 B Bonds shall cease to be such officer of the Issuer before the Series 2009 B Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2009 B Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of the authorization of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2009 B Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2009 B 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 2009 B Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2009 B Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2009 B Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Series 2009 B Bonds.

The registered Series 2009 B 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 2009 B Bonds or transferring the registered Series 2009 B Bonds are exercised, all Series 2009 B Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2009 B Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2009 B Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2009 B Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2009 B Bonds or, in the case of any proposed redemption of Series 2009 B 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 2009 B 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 2009 B Bonds shall not, in any event, be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Holder or Holders of the Series 2009 B Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2009 B Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of all Series 2009 B Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2009 B Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as the same become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2009 B Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2009 B Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2009 B Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2009 B Bonds to the original purchasers;

C. An executed and certified copy of the Bond Legislation;

D. An executed copy of the ARRA Assistance Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2009 B Bonds.

Section 3.10. Form of Bonds. The text of the Series 2009 B Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF LEON
SEWER REVENUE BONDS, SERIES 2009 B
(WEST VIRGINIA SRF PROGRAM/ARRA)

No. BR-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: The ____ day of _____, 2009, that the TOWN OF LEON, a municipal corporation and political subdivision of the State of West Virginia in Mason County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 200____, to an including _____ 1, 20____ as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. This Bond shall not be subject to the SRF Administrative fee (as defined in the hereinafter describe Bond Legislation).

This Bond shall bear no interest. Principal installments of this Bond are 100% forgivable as set forth in the ARRA Assistance Agreement.

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 ARRA Assistance Agreement (the "ARRA Assistance Agreement") by and among the Issuer, the Authority and the DEP, dated _____, 2009.

This Bond is issued (i) to pay a portion of the costs of the acquisition and construction of a public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The public sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended

(collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on September __, 2009, and a Supplemental Resolution duly adopted by the Issuer on _____, 2009 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THERE ARE NO OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH WILL RANK ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, 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 Net Revenues, the monies in the Series 2009 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 or junior to the Bonds; provided however, that so long as there exists in the Series 2009 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 any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior to the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal and interest on of 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 TOWN OF LEON has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated the day and year first written above.

[SEAL]

Mayor

ATTEST:

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2009 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: _____, 2009.

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 ARRA Assistance Agreement. The Series 2009 B Bonds shall be sold to the Authority, pursuant to the terms and conditions of the ARRA Assistance Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the ARRA Assistance Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the Recorder is directed to affix the seal of the Issuer, attest the same and deliver the ARRA Assistance Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The ARRA Assistance Agreement, including all schedules and exhibits attached thereto, are hereby approved and incorporated into this Bond Legislation.

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

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund; and
- (3) Series 2009 B Bonds Construction Trust Fund.

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

- (1) Series 2009 B Bonds Sinking Fund; and
- (2) Series 2009 B Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in 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 revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following manner order of priority:

- (1) The Issuer shall first, each month, pay from the moneys in the Revenue Fund all Operating Expenses of the System.
- (2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission, commencing 4 months prior to the first date of payment of principal, if required, of the Series 2009 B Bonds, for deposit in the Series 2009 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2009 B Bonds on the next ensuing quarterly principal payment date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission, commencing 4 months prior to the first date of payment of principal, if required, of the Series 2009 B Bonds, if not fully funded upon issuance of the Series 2009 B Bonds, for deposit in the Series 2009 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2009 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2009 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 2009 B Bonds Reserve Requirement.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, an amount equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, 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 accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

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

All investment earnings on monies in the Series 2009 B Bonds Sinking Fund and the Series 2009 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 2009 B 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 2009 B Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2009 B Bonds Reserve Account which result in a reduction in the balance of the Series 2009 B Bonds Reserve Account to below the Series 2009 B Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the priority as set forth above.

As and when additional Bonds ranking on a parity with the Series 2009 B 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 2009 B Bonds Sinking Fund or into the Series 2009 B Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2009 B Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2009 B Bonds Sinking Fund and the Series 2009 B Bonds Reserve Account created hereunder, and all required amounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. The Issuer shall make the necessary arrangements whereby required payments into the Series 2009 B Bonds Sinking Fund and the Series 2009 B Bonds Reserve Account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2009 B Bonds Sinking Fund and the Series 2009 B Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2009 B Bonds Sinking Fund, including the Series 2009 B Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2009 B Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall, on the first day of each month (if the first day is not a business day, then the first business day of each month), deposit with the Commission the required interest, if any, principal and reserve account payments with respect to the Series 2009 B Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall, on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission, the SRF Administrative Fee as set forth in the Schedule Y attached to the ARRA Assistance Agreement.

C. The Issuer shall complete the "Monthly Payment Form," a form of which

is attached to the ARRA Assistance Agreement, and submit a copy of said form along with a copy of its payment check to the Authority by the 5th day of such calendar month.

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

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

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

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

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

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2009 B Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2009 B Bonds, there shall first be deposited with the Commission in the Series 2009 B Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 2009 B Bonds, there shall be deposited with the Commission in the Series 2009 B Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2009 B Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2009 B Bonds, such monies shall be deposited with the Depository Bank in the 2009 B Bonds Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02 hereof, and until expended, are hereby pledged as additional security for the Series 2009 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 2009 B Bonds shall be expended as approved by the DEP.

Section 6.02. Disbursements From the Series 2009 B Bonds Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the Series 2009 B Bonds will be expended and the disbursement procedures of such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2009 B Bonds Construction Trust Fund shall be made only after submission to, and approved from, the Authority and the DEP of the following:

- (1) a completed and signed "Payment Requisition Form," a form of which is attached to the ARRA Assistance Agreement, in compliance with the construction schedule; and
- (2) a certificate, signed by an Authorized Officer stating that:

- (A) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;
- (B) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;
- (C) Each of such costs has been otherwise properly incurred; and
- (D) Payment for each of the items proposed is then due and owing.

Pending such application, monies in the Series 2009 B 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 2009 B Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2009 B Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2009 B Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2009 B Bonds shall not be nor constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Series 2009 B Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2009 B Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2009 B Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the System. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2009 B Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal 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 ARRA Assistance Agreement and the Issuer shall supply a certificate of certified public accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the sewer rate ordinance of the Issuer enacted April 6, 2009, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2009 B 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 ARRA Assistance Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series

2009 B Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the ARRA Assistance Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates 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 ARRA Assistance Agreement.

Section 7.05. Sale of the System. So long as the Series 2009 B Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2009 B Bonds, immediately be remitted to the Commission for deposit in the Series 2009 B Bonds Sinking Fund, and, with the written permission of the Authority or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2009 B Bonds. Any balance remaining after the payment of the Bonds and the interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

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

No sale, lease or other disposition of the properties of the System shall be made

by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2009 B Bonds. All obligations issued by the Issuer after the issuance of the Series 2009 B 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 2009 B Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2009 B Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2009 B Bonds and the interest, if any, thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. Additionally, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2009 B Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the DEP under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2009 B Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition or construction of additions, extensions, betterments or improvements

to the System or refunding any outstanding Bonds, or both such purposes.

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

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

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

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

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

the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien of the Series 2009 B Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2009 B Bonds.

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

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the DEP or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the DEP such documents and information as they may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

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

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

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. Separate control accounting records shall be maintained by the Governing Body. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The

Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Authority and the DEP, or any other original purchaser of the Series 2009 B Bonds, and shall mail in each year to any Holder or Holders of the Series 2009 B 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 in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required), and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2009 B Bonds and shall submit said report to the Authority and the DEP, or any other original purchaser of the Series 2009 B 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 ARRA Assistance 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 ARRA Assistance Agreement and the Act, the Issuer has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared by the Consulting Engineers. All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

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

The Issuer shall permit the Authority and the DEP, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction and commencement of operation of the

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

Section 7.09. Rates. Prior to the issuance of the Series 2009 B Bonds, equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Recorder, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2009 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2009 B Bonds; provided that, in the event the amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2009 B Bonds Reserve Account and any Reserve Accounts for obligations on a parity with or junior to the Series 2009 B 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 2009 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2009 B Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04 hereof.

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

authorizing increased expenditures for operation and maintenance within 30 days of adoption to the Authority and the DEP and to any Holder of the Bonds, who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the DEP, the Authority and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

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

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

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

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

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

The Issuer shall employ qualified operating personnel properly certified by the

State before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the ARRA Assistance Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 50% completion stage.

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

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

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

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

System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2009 B Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

- (1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the ARRA Assistance Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.
- (2) PUBLIC LIABILITY INSURANCE, with limits of not less than \$1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than \$500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.
- (3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

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

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

Section 7.16. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the

rates and charges established therefor.

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

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

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System and has obtained all approvals for the issuance of the Series 2009 B Bonds required by State law, with all appeal periods having expired without successful appeal.

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

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

Section 7.19. [RESERVED]

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

Section 7.21. Contracts; Change Orders. A. The Issuer shall, simultaneously with the delivery of the Series 2009 B 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 2009 B Bonds held in "contingency" as set forth in the Schedule attached to the

Certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the DEP before expending any proceeds of the Series 2009 B Bonds made available due to bid or construction or project underruns.

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2009 B Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the 2009 B 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 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 2009 B Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest on the Series 2009 B Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use of Proceeds; Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2009 B Bonds as a condition to issuance of the Series 2009 B 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 2009 B Bonds as may be necessary in order to maintain the status of the Series 2009 B Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2009 B 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 2009 B 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 Bond Legislation.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2009 B Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2009 B Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2009 B Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2009 B Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2009 B Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

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.

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

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

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

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

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

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2009 B Bonds, the principal of and interest due or to become due thereon, if any, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2009 B 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 2009 B 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 2009 B Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2009 B 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 2009 B Bonds, shall be made without the consent in writing of the Registered Owners of the Series 2009 B Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the respective Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2009 B Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 2009 B Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2009 B 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 2009 B 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.

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 Recorder and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07. Effective Date. This Ordinance shall take effect immediately following the public hearing and final reading hereof.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the *Point Pleasant Register*, a newspaper published and of general circulation in the Town of Leon, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2009 B Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading:	July 13, 2009
Passed on Second Reading:	August 10, 2009
Passed on Final Reading Following Public Hearing:	September 14, 2009



Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the Town of Leon on the 14th day of September, 2009.

Dated: November 20, 2009

[SEAL]


Recorder

EXHIBIT A

ARRA Assistance Agreement included in bond transcript as Document 3.

EXHIBIT A

ARRA Special Conditions

A. PUBLIC RELEASE REQUIREMENT – The Local Government agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, groundbreaking 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. BUY AMERICAN CERTIFICATION – The Local Government shall cause the contractor(s) to comply with, and provide certification of, the Buy American provisions of the ARRA in accordance with final guidance from the EPA.

D. ASSET MANAGEMENT – The Local Government shall develop and implement an asset management plan in accordance with guidelines issued by DEP and is approved by DEP. New systems shall submit the asset management plan to DEP when the Project is complete. Existing systems shall submit the asset management plan to DEP within six months following completion of the Project.

E. CONTRACTS – The Local Government shall enter into contracts or commence construction by February 17, 2010.

F. LOGO – The Local Government must display the ARRA logo in a manner that informs the public that the project is an ARRA investment.

G. LOBBYING - The Local Government shall comply with Title 40 CFR Part 34, New Restrictions on Lobbying and shall submit certification and disclosure forms as required by DEP.

H. PURCHASING REQUIREMENTS – The Local Government shall comply with Section 6002 of the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. 6962). Regulations issued under RCRA Section 6002 apply to any acquisition of an item where the purchase price exceeds \$10,000 or where the quantity of such items acquired in the course of the preceding fiscal year was \$10,000 or more. RCRA Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials

identified in guidelines developed by EPA. These guidelines are listed in 40 CFR 247.

I. SUSPENSION AND DEBARMENT – The Local Government shall comply with Subpart C of 2 CFR Part 180 and 2 CFR Part 1532, entitled “Responsibilities of Participants Regarding Transactions (Doing Business with Other Persons). To the extent required by DEP, the Local Government shall provide certifications as to compliance.

J. REPORTING – The Local Government shall comply with all requests for data related to the use of the funds provided under this agreement, including the information required in section 1512 of ARRA when requested by DEP.

K. INSPECTOR GENERAL REVIEWS – The Local Government shall allow any appropriate representative of the Office of US Inspector General to (1) examine its records relating to the Project and this ARRA Assistance Agreement and (2) interview any officer or employee of the Local Government.

L. FALSE CLAIMS – The Local Government must promptly refer to EPA’s Inspector General any credible evidence that a principal, employee, agent, sub-grantee contractor, subcontractor, loan recipient, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving funds provided under this ARRA Assistance Agreement.

M. LIMIT ON FUNDS – The Local Government shall not use funds for particular activities for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

N. 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 applicable to ARRA funds.

O. OFFICE OF MANAGEMENT AND BUDGET (OMB) GUIDANCE – The Local Government acknowledges and agrees that this ARRA Assistance is subject to all applicable provisions of implementing guidance for the American Recovery and Reinvestment Act of 2009 issued by the United States Office of Management and Budget, including the Initial Implementing Guidance for the American Recovery and Reinvestment Act (M-09-10) issued on February 18, 2009 and available on www.recovery.gov, and any subsequent guidance documents issued by OMB.

P. DISADVANTAGED BUSINESS ENTERPRISE – Pursuant to 40 CFR,

Section 33.301, the Local Government agrees to make good faith efforts whenever procuring construction, equipment, services and supplies, and to require that prime contractors also comply. The Local Government shall provide DEP with MBE/WBE participation reports semi-annually.

Q. CIVIL RIGHTS – The Local Government shall comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and a variety of program-specific statutes with nondiscrimination requirements. The Local Government shall also comply with Title VII of the Civil Rights Act of 1964 (prohibiting race, color, national origin, religion, and sex discrimination in employment), the Americans with Disabilities Act (prohibiting disability discrimination in employment and in services provided by State and local governments, businesses, and non-profit agencies), and the Fair Housing Act (prohibiting race, color, national origin, age, family status, and disability discrimination in housing), as well as any other applicable civil rights laws.

R. BOND DESIGNATION – Each Local Bond funded by ARRA funds shall be designated “Series [2009] B” and shall contain “(WVCWSRF Program/ARRA)” in the bond name.

S. USER RATES – The Local Government shall covenant that it will not reduce its approved or enacted customer rates for at least eighteen months after completion of the Project or until such time as a cost of service study has been completed establishing the actual operation and maintenance expenses.

TOWN OF LEON

Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA), OF THE TOWN OF LEON; APPROVING AND RATIFYING THE ARRA ASSISTANCE 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 council (the "Governing Body") of the Town of Leon (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective September 14, 2009 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF A PUBLIC SEWERAGE SYSTEM OF THE TOWN OF LEON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$3,325,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA); 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 ARRA ASSISTANCE 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 Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), of the Issuer, in an aggregate principal amount not to exceed \$3,325,000 (the "Bonds" or the "Series 2009 B Bonds");

WHEREAS, the Bond Ordinance has authorized the execution and delivery of the ARRA assistance agreement relating to the Series 2009 B Bonds, including all schedules and exhibits attached thereto, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP") (the "ARRA Assistance Agreement"), all in accordance with Chapter 16, Article 13 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 ARRA Assistance Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

WHEREAS, the ARRA Assistance Agreement has been presented to the Issuer at this meeting;

WHEREAS, the Bonds are proposed to be purchased by the Authority pursuant to the ARRA Assistance Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the ARRA Assistance Agreement be approved and ratified by the Issuer, that the exact principal amount, the date, the maturity date, the redemption provision, the interest rate, the interest and principal payment dates and the sale price of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

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

Section 1. Section 2.01 of the Bond Ordinance is hereby revised and restated in its entirety as follows:

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed \$3,565,917, 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 2009 B Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received or will receive bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the DEP.

The cost of the Project is estimated not to exceed \$3,565,917, of which not more than \$1,097,917 will be obtained from the proceeds of the Series 2009 B Bonds, \$968,000 will be obtained from a West Virginia Infrastructure and Jobs Development Council Grant, and \$1,500,000 will be obtained from a Small Cities Block Grant.

Section 2. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of \$1,097,917. The Series 2009 B Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2021, and shall bear no interest. The principal of the Series 2009 B Bonds shall be forgivable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2011, to and including March 1, 2021, and in the amounts as set forth in the "Schedule Y" attached to the ARRA Assistance Agreement and incorporated in and made a part of the Series 2009 B Bonds. The Series 2009 B Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the redemption premium, if any, and otherwise in compliance with the ARRA Assistance Agreement, so long as the Authority shall be the registered owner of the Series 2009 B Bonds. The Series 2009 B Bonds are not subject to the SRF Administrative Fee.

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

Section 4. The Issuer does hereby authorize, approve, ratify and accept the ARRA Assistance Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the ARRA Assistance 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 ARRA Assistance Agreement and in the applications to the DEP and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the 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 Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

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

Section 7. The Issuer does hereby appoint and designate City National Bank, Leon, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 8. Series 2009 B Bonds proceeds in the amount of \$-0- shall be

deposited in the Series 2009 B Bonds Sinking Fund, as capitalized interest.

Section 9. Series 2009 B Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2009 B Bonds Reserve Account.

Section 10. The proceeds of the Series 2009 B Bonds shall be deposited in or credited to the Series 2009 B Bonds Construction Trust Fund as received from the DEP from time to time for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 11. The Mayor and the Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about November 20, 2009, to the Authority pursuant to the ARRA Assistance Agreement.

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

Section 13. The Issuer does hereby approve and authorize all contracts relating to the financing, acquisition and construction of the Project.

Section 14. The Issuer hereby determines to invest all monies in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Monies in the Series 2009 B Bonds Sinking Fund and the Series 2009 B Bonds Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

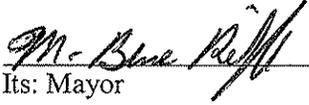
Section 15. The Special Conditions of the ARRA Assistance Agreement are attached as Exhibit A and hereby incorporated herein.

Section 16. The Issuer shall serve the additional customers at the locations(s) as set forth in Certificate of Engineer. The Issuer shall not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority. Following completion of the Project the Issuer shall certify to the Authority the number of customers added to the System.

Section 17. 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 18. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 9th day of November, 2009.

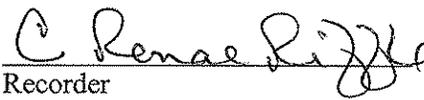
By:  _____
Its: Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the Town of Leon on the 9th day of November, 2009.

Dated: November 20, 2009

[SEAL]


Recorder

10.28.09
514960.00002

EXHIBIT A

ARRA Special Conditions

A. PUBLIC RELEASE REQUIREMENT – The Local Government agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, groundbreaking 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.

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D. ASSET MANAGEMENT – The Local Government shall develop and implement an asset management plan in accordance with guidelines issued by DEP and is approved by DEP. New systems shall submit the asset management plan to DEP when the Project is complete. Existing systems shall submit the asset management plan to DEP within six months following completion of the Project.

E. CONTRACTS – The Local Government shall enter into contracts or commence construction by February 17, 2010.

F. LOGO – The Local Government must display the ARRA logo in a manner that informs the public that the project is an ARRA investment.

G. LOBBYING - The Local Government shall comply with Title 40 CFR Part 34, New Restrictions on Lobbying and shall submit certification and disclosure forms as required by DEP.

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identified in guidelines developed by EPA. These guidelines are listed in 40 CFR 247.

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J. **REPORTING** – The Local Government shall comply with all requests for data related to the use of the funds provided under this agreement, including the information required in section 1512 of ARRA when requested by DEP.

K. **INSPECTOR GENERAL REVIEWS** – The Local Government shall allow any appropriate representative of the Office of US Inspector General to (1) examine its records relating to the Project and this ARRA Assistance Agreement and (2) interview any officer or employee of the Local Government.

L. **FALSE CLAIMS** – The Local Government must promptly refer to EPA’s Inspector General any credible evidence that a principal, employee, agent, sub-grantee contractor, subcontractor, loan recipient, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving funds provided under this ARRA Assistance Agreement.

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O. **OFFICE OF MANAGEMENT AND BUDGET (OMB) GUIDANCE** – The Local Government acknowledges and agrees that this ARRA Assistance is subject to all applicable provisions of implementing guidance for the American Recovery and Reinvestment Act of 2009 issued by the United States Office of Management and Budget, including the Initial Implementing Guidance for the American Recovery and Reinvestment Act (M-09-10) issued on February 18, 2009 and available on www.recovery.gov, and any subsequent guidance documents issued by OMB.

P. **DISADVANTAGED BUSINESS ENTERPRISE** – Pursuant to 40 CFR,

Section 33.301, the Local Government agrees to make good faith efforts whenever procuring construction, equipment, services and supplies, and to require that prime contractors also comply. The Local Government shall provide DEP with MBE/WBE participation reports semi-annually.

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S. USER RATES – The Local Government shall covenant that it will not reduce its approved or enacted customer rates for at least eighteen months after completion of the Project or until such time as a cost of service study has been completed establishing the actual operation and maintenance expenses.

SRF-ARRA/M
(08/09)

ARRA ASSISTANCE AGREEMENT

THIS WATER POLLUTION CONTROL REVOLVING FUND ARRA ASSISTANCE AGREEMENT (the "ARRA Assistance 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").

TOWN OF LEON (C-544133/95S-125)
(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, the United States Congress has provided additional capitalization grant funding under the Clean Water Act through the American Recovery and Reinvestment Act of 2009 (the "ARRA");

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

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, the ARRA provides that at least fifty percent (50%) of the funds provided through the capitalization grant be provided as negative interest loans or principal forgiveness (the "ARRA Assistance");

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

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

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

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

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

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

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

WHEREAS, having reviewed the Application and the Fund having available sufficient funds therefor, the Authority and DEP are willing to lend the Local Government the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Government with

moneys held in the Fund, subject to the Local Government's satisfaction of certain legal and other requirements of the Program.

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

ARTICLE I

Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "cost," "fund," "local government," and "project" have the definitions and meanings ascribed to them in the Act, the ARRA, 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 "Loan" means the loan to be made by the Authority and DEP to the Local Government through the purchase of Local Bonds, as hereinafter defined, pursuant to this ARRA Assistance Agreement.

1.4 "Local Act" means the official action of the Local Government required by Section 4.1 hereof, authorizing the Local Bonds.

1.5 "Local Bonds" means the revenue bonds to be issued by the Local Government pursuant to the provisions of the Local Statute, as hereinafter defined, to evidence the Loan and to be purchased by the Authority with money held in the Fund, all in accordance with the provisions of this ARRA Assistance Agreement.

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

1.7 "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, including ARRA Assistance.

1.8 "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.

1.9 "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.

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

1.11 "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.

1.12 Additional terms and phrases are defined in this ARRA Assistance 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 ARRA Assistance 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 Loan or of any State and federal grants or other sources of financing for the Project.

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

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

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

(100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Local Government, the prime contractor and all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Local Government on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds are outstanding. Prior to commencing operation of the Project, the Local Government must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

2.9 The Local Government shall provide and maintain competent and adequate engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, DEP and the Local Government at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Government shall require the Consulting Engineers to submit Record Drawing, 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 ARRA Assistance 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 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.

2.14 The Governmental Agency shall serve the additional customers at the location(s) as set forth in Schedule X. The Governmental Agency shall not reduce the amount of additional customers served by the project without the prior written approval of the WDA Board. Following completion of the Project the Governmental Agency shall certify to the Authority the number of customers added to the System.

2.15 The Governmental Agency shall perform an annual maintenance audit which maintenance audit shall be submitted to the WDA and the Public Service Commission of West Virginia.

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

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

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

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

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

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

(j) The net proceeds of the Local Bonds, together with all moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been entered, to be deposited on a date certain) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and the Authority and DEP shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of wastewater treatment projects and satisfactory to the Authority and DEP, to such effect, such certificate to be in form and substance satisfactory to the Authority and DEP, and evidence satisfactory to the Authority and DEP of such irrevocably committed grants.

3.2 Subject to the terms and provisions of this ARRA Assistance 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 including rules, regulations and procedures promulgated under the Clean Water Act and/or the ARRA, it is hereby agreed that the Authority shall make the Loan to the Local Government and the Local Government shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Local Government shall sell to the Authority and the Authority shall make the Loan by purchasing the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

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

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

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

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

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

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

amount required in any year for debt service on the Local Bonds and any such prior or parity obligations;

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

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

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

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

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

(viii) That the Authority may, by proper legal action, compel the performance of the duties of the Local Government under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal 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. When required by the Authority, the Local Government shall make monthly payments to the Commission by electronic transfer;

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

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

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

4.5 As provided by the SRF Regulations, the Local Government agrees to pay from time to time, if required by the Authority and DEP, the Local Government's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be determined by the Authority and shall include, without limitation, Program expenses, legal fees paid by the Authority and fees

paid to the trustee and paying agents for any bonds or notes to be issued by the Authority for contribution to the Fund and the fees and expenses of any corporate trustee for the Fund.

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

ARTICLE V

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

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

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds shall prove to be insufficient to produce the required sums set forth in the Local Act and this ARRA Assistance 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 ARRA Assistance Agreement.

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

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

ARTICLE VI

Other Agreements of the Local Government

6.1 The Local Government hereby acknowledges to the Authority and DEP its understanding of the provisions of the Act, vesting in the Authority and DEP certain powers, rights and privileges with respect to wastewater treatment projects in the event of default by the Local Government in the terms and covenants of this ARRA Assistance 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 ARRA Assistance Agreement.

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

6.3 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.

ARTICLE VII

Miscellaneous

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

7.2 If any provision of this ARRA Assistance 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 ARRA Assistance Agreement, and this ARRA Assistance Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

7.3 This ARRA Assistance 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 ARRA Assistance Agreement.

7.4 No waiver by any party of any term or condition of this ARRA Assistance 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 ARRA Assistance Agreement.

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

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

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

MBR
CR
TOWN OF WARDENSVILLE LEON

(SEAL)

By: *Mr. Bruce Ruff*
Its: Mayor
Date: November 20, 2009

Attest:

C. Renae Riddle
Its: Recorder

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

By: *Scott G. Mandeville*
Its: Acting Director
Date: November 20, 2009

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: *[Signature]*
Its: Executive Director
Date: November 20, 2009

Attest:

Carol A. Cummings
Its: Secretary-Treasurer

{C1624680.1}

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. <u>Renewal and Replacement Fund Deposits</u>	_____	_____	_____	_____

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 ARRA Assistance 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 A 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) the Issuer has received the Buy American Certificate from each contractor; (x) 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 ARRA Assistance 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 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 (x).

EXHIBIT E

SPECIAL CONDITIONS

A. PUBLIC RELEASE REQUIREMENT – The Local Government agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, groundbreaking 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. BUY AMERICAN CERTIFICATION – The Local Government shall cause the contractor(s) to comply with, and provide certification of, the Buy American provisions of the ARRA in accordance with final guidance from the EPA.

D. ASSET MANAGEMENT – The Local Government shall develop and implement an asset management plan in accordance with guidelines issued by DEP and is approved by DEP. New systems shall submit the asset management plan to DEP when the Project is complete. Existing systems shall submit the asset management plan to DEP within six months following completion of the Project.

E. CONTRACTS – The Local Government shall enter into contracts or commence construction by February 17, 2010.

F. LOGO – The Local Government must display the ARRA logo in a manner that informs the public that the project is an ARRA investment.

G. LOBBYING - The Local Government shall comply with Title 40 CFR Part 34, New Restrictions on Lobbying and shall submit certification and disclosure forms as required by DEP.

H. PURCHASING REQUIREMENTS – The Local Government shall comply with Section 6002 of the Resource Conservation and Recovery Act (RCRA) (42

U.S.C. 6962). Regulations issued under RCRA Section 6002 apply to any acquisition of an item where the purchase price exceeds \$10,000 or where the quantity of such items acquired in the course of the preceding fiscal year was \$10,000 or more. RCRA Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by EPA. These guidelines are listed in 40 CFR 247.

I. **SUSPENSION AND DEBARMENT** – The Local Government shall comply with Subpart C of 2 CFR Part 180 and 2 CFR Part 1532, entitled “Responsibilities of Participants Regarding Transactions (Doing Business with Other Persons). To the extent required by DEP, the Local Government shall provide certifications as to compliance.

J. **REPORTING** – The Local Government shall comply with all requests for data related to the use of the funds provided under this agreement, including the information required in section 1512 of ARRA when requested by DEP.

K. **INSPECTOR GENERAL REVIEWS** – The Local Government shall allow any appropriate representative of the Office of US Inspector General to (1) examine its records relating to the Project and this ARRA Assistance Agreement and (2) interview any officer or employee of the Local Government.

L. **FALSE CLAIMS** – The Local Government must promptly refer to EPA’s Inspector General any credible evidence that a principal, employee, agent, sub-grantee contractor, subcontractor, loan recipient, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving funds provided under this ARRA Assistance Agreement.

M. **LIMIT ON FUNDS** – The Local Government shall not use funds for particular activities for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

N. **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 applicable to ARRA funds.

O. OFFICE OF MANAGEMENT AND BUDGET (OMB) GUIDANCE – The Local Government acknowledges and agrees that this ARRA Assistance is subject to all applicable provisions of implementing guidance for the American Recovery and Reinvestment Act of 2009 issued by the United States Office of Management and Budget, including the Initial Implementing Guidance for the American Recovery and Reinvestment Act (M-09-10) issued on February 18, 2009 and available on www.recovery.gov, and any subsequent guidance documents issued by OMB.

P. DISADVANTAGED BUSINESS ENTERPRISE – Pursuant to 40 CFR, Section 33.301, the Local Government agrees to make good faith efforts whenever procuring construction, equipment, services and supplies, and to require that prime contractors also comply. The Local Government shall provide DEP with MBE/WBE participation reports semi-annually.

Q. CIVIL RIGHTS – The Local Government shall comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and a variety of program-specific statutes with nondiscrimination requirements. The Local Government shall also comply with Title VII of the Civil Rights Act of 1964 (prohibiting race, color, national origin, religion, and sex discrimination in employment), the Americans with Disabilities Act (prohibiting disability discrimination in employment and in services provided by State and local governments, businesses, and non-profit agencies), and the Fair Housing Act (prohibiting race, color, national origin, age, family status, and disability discrimination in housing), as well as any other applicable civil rights laws.

R. BOND DESIGNATION – Each Local Bond funded by ARRA funds shall be designated “Series [2009] B” and shall contain “(WVCWSRF Program/ARRA)” in the bond name.

S. USER RATES – The Local Government shall covenant that it will not reduce its approved or enacted customer rates for at least eighteen months after completion of the Project or until such time as a cost of service study has been completed establishing the actual operation and maintenance expenses.

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 Loan 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 ARRA assistance agreement dated _____, _____, including all schedules and exhibits attached thereto (the "ARRA Assistance 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 ARRA Assistance Agreement. The Local Bonds are issued in the principal amount of \$ _____, in the form of one bond, registered as to principal and interest to the Authority, with principal and interest payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning _____ 1, _____, and ending _____ 1, _____, all as set forth in the "Schedule Y" attached to the ARRA Assistance 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 ARRA Assistance 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 ARRA Assistance 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 ARRA Assistance 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 ARRA Assistance 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 ARRA Assistance 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 B Bonds (ARRA)
Principal Amount of Local Bonds \$1,097,917
Purchase Price of Local Bonds \$1,097,917

The Local Bonds shall bear no interest. The Authority at the direction of the DEP shall forgive the principal amount of the Local Bonds. Principal forgiveness shall begin on March 1, 2011 and shall be made quarterly thereafter (March 1, June 1, September 1 and December 1 of each year) as set forth on Schedule Y attached hereto and incorporated herein by reference for a period of ten years.

The Local Bonds are fully registered in the name of the Authority.

The Local Government shall make monthly payments into the Renewal and Replacement Fund as required by Section 4.1 of this Agreement for at least the term of the Local Bonds.

The Local Government shall notify the Authority and the Council of any proposed bond indebtedness secured by the revenues of the System.

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.

Number of New Customers to Be Served: 150
Location: Town of Leon, Brownville Road, Leon-Baden Road areas

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: none.

SCHEDULE Y
DEBT SERVICE SCHEDULE

10 Years				
	Dated Date	11/20/09		
	Delivery Date	11/20/09		
Period Ending	Debt Service	Principal Forgiveness	Annual Principal Forgiveness	
11/20/09				
6/1/11	-27,448	-27,448		
9/1/11	-27,448	-27,448		
12/1/11	-27,448	-27,448		
3/1/12	-27,448	-27,448	-109,792	
6/1/12	-27,448	-27,448		
9/1/12	-27,448	-27,448		
12/1/12	-27,448	-27,448		
3/1/13	-27,448	-27,448	-109,792	
6/1/13	-27,448	-27,448		
9/1/13	-27,448	-27,448		
12/1/13	-27,448	-27,448		
3/1/14	-27,448	-27,448	-109,792	
6/1/14	-27,448	-27,448		
9/1/14	-27,448	-27,448		
12/1/14	-27,448	-27,448		
3/1/15	-27,448	-27,448	-109,792	
6/1/15	-27,448	-27,448		
9/1/15	-27,448	-27,448		
12/1/15	-27,448	-27,448		
3/1/16	-27,448	-27,448	-109,792	
6/1/16	-27,448	-27,448		
9/1/16	-27,448	-27,448		
12/1/16	-27,448	-27,448		
3/1/17	-27,448	-27,448	-109,792	
6/1/17	-27,448	-27,448		
9/1/17	-27,448	-27,448		
12/1/17	-27,448	-27,448		
3/1/18	-27,448	-27,448	-109,792	
6/1/18	-27,448	-27,448		
9/1/18	-27,448	-27,448		
12/1/18	-27,448	-27,448		
3/1/19	-27,448	-27,448	-109,792	
6/1/19	-27,448	-27,448		
9/1/19	-27,448	-27,448		
12/1/19	-27,448	-27,448		
3/1/20	-27,448	-27,448	-109,792	
6/1/20	27,447	27,447		
9/1/20	27,447	27,447		
12/1/20	27,447	27,447		
3/1/21	-27,448	-27,448	-109,789	
	1,097,917	1,097,917	1,097,917	





**STEP TOE &
JOHNSON**
P L L C
ATTORNEYS AT LAW

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
(304) 353-8196 – Telephone
(304) 353-8180 – Facsimile
John.stump@steptoe-johnson.com

November 6, 2009

Via Hand Delivery

Sandra Squire, *Executive Secretary*
Public Service Commission of West Virginia
201 Brooks Street
Charleston, West Virginia 25323

RECEIVED
 09 NOV -6 PM 2:27
 W VA PUBLIC SERVICE

Re: Case No. 09-0472-S-PC-CN
TOWN OF LEON

Application for a certificate of convenience and necessity to construct a sewerage system; for approval of an Operation and Maintenance Agreement; for approval of a Billing Agreement and a Termination Agreement; and for approval of the financing thereof.

Dear Ms. Squire:

Enclosed herein for filing on behalf of the Town of Leon, please find an affidavit by the Town's certified public accountant.

Please file the enclosed affidavit and distribute the additional copies to the appropriate parties at the Commission. Additionally, I ask that you date stamp the file copy provided and return it with our messenger. Thank you in advance for your attention to this matter, and should you have any questions please contact me at (304) 353-8196.

Best Regards,

John C. Stump
(W. V. State Bar No. 6385)

Enclosures

- cc: Honorable M. Bruce Riffle (w/o enclosures)
- Michael D. Griffith, CPA (w/o enclosures)
- F. Wayne Hypes, P.E. (w/o enclosures)

514960.00002



TOWN OF LEON

Case No.: 09-0472-S-PC-CN

STATE OF WEST VIRGINIA
COUNTY OF LINCOLN, TO-WIT:

AFFIDAVIT

RECEIVED
09 NOV - 6 PM 2:27
WV VA PUBLIC SERVICE

We have reviewed the Recommended Decision of the Public Service Commission of West Virginia in Case No. 09-0472-S-SCN dated July 14, 2009 approving a \$2,235,000 loan from the Department of Environmental Protection using funds provided by *The American Recovery and Reinvestment Act of 2009* with 100% debt forgiveness, and a \$1,500,000 Small Cities Block Grant, and based upon all the information that has been provided to us, to date, we are of the opinion that the rates and charges for the Town (i) are not affected by the revised funding consisting of a \$1,097,917 loan from the Department of Environmental Protection using funds provided by *The American Recovery and Reinvestment Act of 2009* with 100% debt forgiveness, a \$1,500,000 Small Cities Block Grant and a \$968,000 Infrastructure and Jobs Development Council grant; and (ii) will be sufficient to provide revenues which, together with other revenues of the System, will allow us to provide the CPA certification required for the issuance of the Bonds.

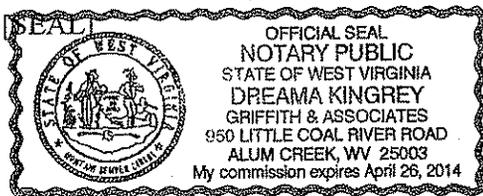
This Affidavit is executed on the 4th day of November, 2009.

Griffith & Associates, PLLC

Taken, subscribed and sworn to before me this 4th day of November, 2009.

My commission expires April 26, 2014.

Notary Public



**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

FINAL

Entered: July 14, 2009

8/3/2009

CASE NO. 09-0472-S-PC-CN

TOWN OF LEON

Application for a certificate of convenience and necessity to construct a sewage system, for approval of an operation and maintenance agreement; for approval of a billing agreement and a termination agreement; and approval of related financing.

RECOMMENDED DECISION

On April 1, 2009, the Town of Leon (Town), a municipality, filed an application with the Public Service Commission under *West Virginia Code (Code) §24-2-11* for a certificate of public convenience and necessity to construct a sewage system to serve approximately 160 customers in the Town's service territory in and around the Town in Mason County; for approval of an operations and maintenance agreement (O&M Agreement) with Richmoor and Associates, a private company; for approval of a billing agreement (Billing Agreement) with Mason County Public Service District (MCPSD); for approval of a water termination agreement (Termination Agreement) with MCPSD; and for approval of financing for the project, estimated to cost approximately \$2,468,000, to be funded with a \$1,500,000 Small Cities Block (SCB) grant and a \$968,000 West Virginia Infrastructure and Jobs Development Council (IJDC) grant. The Town currently does not provide sewer service and owns no sewage facilities. The Town enacted an ordinance on March 23, 2009, and expects rates to be in effect by the time the project is completed.

On May 12, 2009, Staff Attorney Leslie J. Anderson indicated that the Town's ordinance complies with Commission requirements, but that Staff had not determined whether the rates would support the project. The Town filed a Rule 42 exhibit, but much of it is either blank or proposed, since it has no operating history as a public sewer utility.

msm

On April 3, 2009, the Commission required that the Town publish the Notice of Filing once in a newspaper duly qualified by the Secretary of State, published and generally circulated in Mason County, providing a 30-day protest period. The Notice of Filing also provided that, if no protests were received within the 30-day protest period, the Commission may waive formal hearing and grant the certificate based upon its review of the evidence submitted with the application. On May 12, 2009, the Town submitted a publication affidavit showing that the Notice of Filing was published on April 17, 2009, in *The Point Pleasant Register*. On May 15, 2009, one letter of protest was filed with the Commission by Matthew Keefer, who installed an approved septic tank and leach bed serving his home about three years ago and who believes that the project will "cause a severe grievous impact on" his personal financial well being.

By the April 15, 2009 Referral Order, the Commission referred this case to the Division of Administrative Law Judges (ALJ Division) for decision on or before August 14, 2009, if no protest was filed, or by October 28, 2009, if the matter was protested.

On April 28, 2009, Staff Attorney Leslie J. Anderson submitted the Initial Joint Staff Memorandum, attaching the April 27, 2009 Initial Staff Internal Memorandum from Utilities Analyst Pete Lopez, Water and Wastewater Division, and Technical Analyst James Spurlock, Engineering Division. Staff indicated that, upon completing its investigation, it would submit a final substantive recommendation. However, the Town needed to furnish several documents before Staff can complete its investigation.

By the June 15, 2009 Procedural Order, the Administrative Law Judge (ALJ) adopted a procedural schedule to process and resolve this matter, including an August 5, 2009 hearing date. The June 15, 2009 Order also required that Leon publish a hearing notice and required all continuance motions to be filed prior to publication of the hearing notice.

On June 26, 2009, Staff Attorney Anderson submitted the Final Joint Staff Memorandum, attaching the June 25, 2009 Final Internal Memorandum from Mr. Lopez and Mr. Spurlock. Together, these Memoranda comprise Commission Staff's final substantive recommendation. Staff noted that the total project now will cost an estimated \$3,825,000, with \$2,235,000 of the financing now coming from the American Recovery and Reinvestment Act of 2009 (ARRA), with 100% debt forgiveness, and the remaining \$1,500,000 to be provided by the SCB grant. Both funding agencies have furnished the Town with letters of funding eligibility and/or commitment. Opining that Leon had substantially complied with all financial and technical aspects of the certificate application, Staff recommended that the Commission grant the application, approve the financing, approve the Staff-recommended rates and charges, approve the Termination Agreement and approve the other Staff recommendations. Since the Town has never operated as a public utility before, no historical operational data is available upon which to establish rates. Commission Staff has recommended that the Commission adopt the rates proposed by Leon, as contained in the ordinance enacted by the Town.

The project includes a sewage collection and treatment system designed to serve approximately 160 customers, none of whom currently have public sewer service. Richmoor and Associates will operate the system at a cost of approximately \$18,720. The West Virginia Office of Environmental Health Services (OEHS) has issued Permit No. 18,009 for the project. The plans and specifications do not conflict with Commission rules and regulations.

The rates enacted by the Town will cover the projected total O&M expenses of approximately \$55,909, plus a \$1,856 depreciation reserve. The total operating revenues will be approximately \$74,253, which will provide a \$16,488 cash flow surplus. No debt service coverage is required. While the Staff-recommended rates and charges are essentially the same as those contained in the Town's rate ordinance, Commission Staff recommended that the Town use the form of the Staff-recommended rates when it next considers a rate ordinance. In summary, Staff recommended that the Commission:

1. Grant the Town a certificate of convenience and necessity to construct a new public sewer system in the amount of \$3,825,000 as set forth in the plans and specifications filed with the Commission;
2. Approve the proposed financing comprised of a \$2,325,000 ARRA loan through the DEP, with 100% debt forgiveness, and a \$1,500,000 SCB grant;
3. Require that the Town obtain separate Commission approval prior to commencing construction if the plans or scope of the project change. Should the financing or cost of the project change without affecting rates, no separate Commission approval is needed, provided that the Town furnish the Commission with an affidavit from a certified public accountant to that effect;
4. Require that the Town provide a copy of the engineer's certified tabulation of bids, within 10 days of the bid opening date, for each contract associated with the project;
5. Require that the Town provide a certificate of substantial completion from the project engineer within 10 days of completion of each contract associated with the project;
6. Require that the Town adopt the language contained in the Staff-recommended tariff in its next rate ordinance to bring its tariff language into compliance with the Commission's *Tariff Rules*; and
7. Approve the proposed O&M Agreement with Richmoor and Associates; the Billing Agreement with Mason County Public Service District; and the Termination Agreement with MCPSD.

On July 1, 2009, the Town moved the ALJ to cancel the hearing and grant the application on an expedited basis. The Town represented that the only Protestant, Matthew Keefer, would not be affected by the project. In fact, attempting to include Mr. Keefer in the project would require Mr. Keefer to install approximately 400 feet of four-inch sewer line, which the Town's engineer opined would be unreasonable. The Town will not require Mr. Keefer to connect to the system. The Town emphasized that time was important since a major portion of the financing will now be provided through the ARRA.

By the July 2, 2009 Order Granting 5-Day Show Cause Notice, the ALJ granted Matthew Keefer five (5) days to show good cause to the ALJ, in writing, why he should not grant the Town's motion, cancel the hearing, treat this matter as an unprotested certificate application and enter a recommended decision granting the application without a hearing as recommended by Commission Staff. The July 2, 2009 Order provided that, if Mr. Keefer did not respond to the notice or failed to show good cause, within five (5) days, the ALJ would treat this matter as unprotested.

According to a United States Certified Mail Domestic Return Receipt card, Mr. Keefer received a copy of the July 2, 2009 Order on July 3, 2009. Mr. Keefer did not respond to the Notice contained in the July 2, 2009 Order.

DISCUSSION

Having considered all of the above, since no dispute remains to be resolved in this proceeding, as evidenced by the failure of the lone protestant to respond to the July 2, 2009 Order, the ALJ will consider the parties to have waived their rights under *West Virginia Code* §24-1-9(b) to file proposed findings of fact and conclusions of law, or briefs, in this proceeding, or to a hearing. Since entering this Recommended Decision obviates the necessity for the procedural schedule established by the June 15, 2009 Order, including the Wednesday, August 5, 2009 hearing date, the ALJ will cancel the procedural schedule by a separate procedural order issued simultaneously herewith.

In General Order No. 182.09, issued on April 16, 2009, the Commission discussed the process to be followed for water and sewer certificate projects that are to be funded with stimulus funds under the ARRA.¹ In that Order, the Commission noted that the State Bureau for Public Health will have approximately 19.5 million dollars in federal stimulus funds for water projects, while the DEP will have approximately 61 million dollars for sewer projects. Those projects have to be bid by August 2009 and the contracts awarded by October 2009. The economic stimulus projects are made more complicated by the fact that the funding agencies overseeing the distribution of economic stimulus funds will not be finally awarding those funds through a traditional commitment letter until

¹While the availability of ARRA funding has generated a flurry of certificate filings with accelerated timelines, there has been no statutory change in the West Virginia Code to accommodate the ARRA funding. For the purposes of W. Va. Code § 24-2-11, ARRA funding is no different from any other funding.

approximately August or September of 2009. Economic stimulus money is awarded on a "first come, first served" basis and there is no guarantee that any project which receives a letter from either DEP or the Bureau for Public Health, indicating that a project is eligible for certain level of ARRA funding, will actually receive the originally specified level of ARRA funding, or any ARRA funding at all.

Traditionally, orders granting certificates of convenience and necessity to municipally-operated public utilities have specifically approved the funding package proposed for the water or sewer project and have required the utility to file a petition to reopen the proceeding to obtain Commission approval of any changes to project financing in the event that project costs change and rates are affected, either requiring increases or decreases, prior to the commencement of construction. That process is being retained, in large part, for projects using ARRA funds. The major difference is the approval of project financing that has not been committed. To further accommodate the timing constraints of ARRA, the determination is being made in advance that any funding package that includes ARRA funds is reasonable, so that changes to an ARRA funding package do not require additional review, unless rates have to be increased. All that will be required for ARRA funding is the filing of a letter with the final funding commitment documentation and a certification from the Town's accountant that rates are not affected.

Applications involving ARRA funding present some unique challenges, in that there is no committed funding, as is generally required for water and sewer certificate applications, and given the timing constraints of ARRA, with the projects to be bid in August of 2009 and contracts to be awarded in October of 2009. In spite of these constraints, the Public Service Commission has an obligation with regard to any certificate application, whether it is filed by a private utility, a public service district or a municipality, to insure that the project is economically feasible and financially viable, which includes guaranteeing that there are adequate financing and sufficient rates to fund the proposed project. See, W. Va. Code §24-2-4b; State ex. rel. Public Service Commission v. Town of Fayetteville, 212 W. Va. 427, 573 S.E.2d 338 (2002); Town of Man and Man Water Works, Inc., Case No. 81-433-W-PC, Order Affirming Hearing Examiner's Decision, April 16, 1982, 69 ARPSCWV 1893; Ohio County Public Service Commission, Case No. 82-482-S-CN, Order Affirming Hearing Examiner's Decision Without Prejudice, April 8, 1983, 70 ARPSCWV 2049. See also, Sexton v. Public Service Commission, 188 W. Va. 305, 423 S.E.2d 914, (1992). Accordingly, the Town must reopen this proceeding for Commission review and approval of project changes which generate rate changes, with the clarification that this requirement will apply only to rate increases. Further, it is reasonable to include an ordering paragraph prohibiting the municipally-operated public utility from commencing construction, unless it has secured adequate funding to cover all project costs, as those costs have been determined upon the conclusion of the bidding process and after bids have been awarded for all of the construction contracts associated with the project, and to file that information with the Commission. The Town will be required to file with the Commission a letter detailing the final funding package for this project upon that information being known, along with the bid tabulations for each construction contract to be awarded for the project. Those filings should be made as closed entries and should not be treated as petitions to reopen.

In the event that, after a municipally operated public utility files the letter providing the details of the finalized funding package for the certificated project, Commission Staff concludes, based upon its own independent analysis, that either the specified funding package or the approved rates are insufficient to cover all project costs, it will be the obligation of Commission Staff to petition the Public Service Commission to reopen the certificate proceeding for the purpose of reviewing the financial viability of the certificated project.

As with all certificate applications filed with the Commission, in the event that the project scope changes, or changes in project cost and/or financing require a further rate increase, or the Town ultimately receives no ARRA funding, the Town will be required to file a petition to reopen this matter, to allow the Commission to assess the nature of the project changes, to determine if they are adequately funded, appropriate and not in conflict with any state laws or Commission rules, and to insure that the funding package and associated rates support the economic feasibility and financial viability of the project.

The ALJ holds that, since the Town properly published the Notice of Filing on April 17, 2009, in *The Point Pleasant Register*, a newspaper published and generally circulated in Mason County; since only one protest was filed against the application within the protest period; since the Protestant is not affected by the project; since the ALJ granted the only Protestant, Matthew Keefer, five days to show good cause to the ALJ, in writing, why he should not treat this matter as an unprotested certificate application and enter a recommended decision granting the application without a hearing as recommended by Commission Staff; since Mr. Keefer received a copy of the July 2, 2009 Order Granting 5-Day Show Cause Notice on July 3, 2009; and since Mr. Keefer did not respond within five days of receipt of the July 2, 2009 Order or as of the date of this Recommended Decision, he will treat this as an unprotested application.

Since the Town proposes to build a new sewage and collection service to serve approximately 160 customers who do not have public sewer service, the ALJ holds that the public convenience and necessity require the project. The ALJ will approve the proposed financing for the project, comprised of a \$2,325,000 ARRA loan, with 100% debt forgiveness, and a \$1,500,000 SCB grant. Also, the ALJ will approve the O&M Agreement with Richmoor and Associates, the Billing Agreement with Mason County Public Service District and the Termination Agreement with MCPSD, as well as the other recommendations of Staff.

FINDINGS OF FACT

1. The Town of Leon filed an application with the Commission under *Code* §24-2-11 for a certificate of public convenience and necessity to construct a sewage system to serve approximately 160 customers in the Town's service territory in and around the Town in Mason County; for approval of an O&M Agreement with Richmoor and Associates; for approval of a Billing Agreement with Mason County Public Service District; for approval of a Termination Agreement with MCPSD; and for approval of financing for the project. (See, April 1, 2009 application).

2. The Notice of Filing was published on April 17, 2009, in *The Point Pleasant Register*. (See, May 12, 2009 publication affidavit).

3. Matthew Keefer was the only person who filed a protest with the Commission to the application, however, he is not affected by the project. (See, May 15, 2009 letter; Town's July 1, 2009 motion; Commission's file).

4. The ALJ granted Matthew Keefer five (5) days to show good cause to the ALJ, in writing, why he should not treat this matter as an unprotested certificate application and enter a recommended decision granting the application without a hearing as recommended by Commission Staff. (See, July 2, 2009 Order).

5. Mr. Keefer received a copy of the July 2, 2009 Order on July 3, 2009, but he did not respond to the July 2, 2009 Order. (See, United States Certified Mail Domestic Return Receipt card; Commission's file).

6. The total project will cost an estimated \$3,825,000, with \$2,235,000 of the financing coming from the ARRA, with 100% debt forgiveness, and the remaining \$1,500,000 will be provided by the SCB grant. The Town has received eligibility and/or commitment letters for the financing. (See, Final Joint Staff Memorandum, with attachments, filed June 26, 2009).

7. Since the Town has never operated as a public utility before, no historical operational data is available upon which to establish rates. (See, Final Joint Staff Memorandum, with attachments, filed June 26, 2009).

8. Commission Staff has recommended that the Commission adopt the rates proposed by Leon, as contained in the ordinance enacted by the Town. (See, Final Joint Staff Memorandum, with attachments, filed June 26, 2009).

9. The project includes a sewage collection and treatment system designed to serve approximately 160 customers, none of whom currently have public sewer service. (See, Final Joint Staff Memorandum, with attachments, filed June 26, 2009).

10. Richmoor and Associates will operate the system at a cost of approximately \$18,720 annually. (See, Final Joint Staff Memorandum, with attachments, filed June 26, 2009).

11. The OEHS has issued Permit No. 18,009 for the project. (See, Final Joint Staff Memorandum, with attachments, filed June 26, 2009).

12. The plans and specifications do not conflict with Commission rules and regulations. (See, Final Joint Staff Memorandum, with attachments, filed June 26, 2009).

13. The rates enacted by the Town will cover the projected total O&M expenses of approximately \$55,909, plus a \$1,856 depreciation reserve. The total operating revenues will be approximately \$74,253, which will provide a \$16,488 cash flow surplus. No debt service coverage is required. (See, Final Joint Staff Memorandum, with attachments, filed June 26, 2009).

14. While the Staff-recommended rates and charges are essentially the same as those contained in the Town's rate ordinance, Commission Staff recommended that the Town use the form of the Staff-recommended rates when it next considers a rate ordinance. (See, Final Joint Staff Memorandum, with attachments, filed June 26, 2009).

15. Staff recommended that the Town be granted a certificate of convenience and necessity to construct a new public sewer system in the amount of \$3,825,000 as set forth in the plans and specifications filed with the Commission. (See, Final Joint Staff Memorandum, with attachments, filed June 26, 2009).

16. Staff recommended that the Commission approve the proposed financing comprised of a \$2,325,000 ARRA loan, with 100% debt forgiveness, and a \$1,500,000 SCB grant. (See, Final Joint Staff Memorandum, with attachments, filed June 26, 2009).

17. Staff recommended that the Commission approve the proposed O&M Agreement with Richmoor and Associates; the Billing Agreement with Mason County Public Service District; and the Termination Agreement with MCPSD. (See, Final Joint Staff Memorandum, with attachments, filed June 26, 2009).

CONCLUSIONS OF LAW

1. The Public Service Commission is empowered to require all public utilities, including municipally-operated public utilities, to demonstrate that a proposed water or sewer project is economically feasible and financially viable by demonstrating that they have secured adequate funding to cover all project costs, as those project costs are determined to be at the conclusion of the bidding process, and that the resulting rates are just, reasonable, applied without unjust discrimination or preference and based primarily on the cost of providing service. See, W. Va. Code §24-2-4b; State ex. rel. Public Service Commission v. Town of Fayetteville, 212 W. Va. 427, 573 S.E.2d 338 (2002); Town of Man and Man Water Works, Inc., Case No. 81-433-W-PC, Order Affirming Hearing Examiner's Decision, April 16, 1982, 69 ARPSCWV 1893; Ohio County Public Service Commission, Case No. 82-482-S-CN, Order Affirming Hearing Examiner's Decision Without Prejudice, April 8, 1983, 70 ARPSCWV 2049. See also, Sexton v. Public Service Commission, 188 W. Va. 305, 423 S.E.2d 914, (1992).

2. In order to accommodate the unique timing issues involving the economic stimulus funds provided under *The American Recovery and Reinvestment Act of 2009*, and recognizing that these funds are available for a short period on a one-time only basis, it is reasonable to modify some

of the Commission's traditional requirements regarding certificate applications, as set forth in the ordering paragraphs of this decision, in the event that the Town receives ARRA funding for the project.

3. The public convenience and necessity require the proposed project.

4. The proposed financing for the project should be approved.

5. The rates contained in the Town's ordinance are sufficient, but not more than sufficient, to support the proposed project and should be approved.

6. Because ARRA funds represent an additional one-time infusion of capital for West Virginia water and sewer projects, with extremely favorable terms, it is reasonable to conclude that any funding package which includes ARRA funds is convenient to the public, without further review, as long as rates do not have to be increased to support funding revisions made after a certificate is granted.

7. Should the scope or the plans for the project change, the Town must obtain prior Commission approval before commencing construction. Changes in project costs or financing do not require separate approval if those changes do not affect rates and the Town submits an affidavit from a certified public accountant to this effect.

ORDER

IT IS, THEREFORE, ORDERED that the application for a certificate of public convenience and necessity filed with the Commission on April 1, 2009, by the Town of Leon, pursuant to *Code* §24-2-11, to construct a sewage collection and treatment system to serve approximately 160 customers in the Town's service territory in and around the Town in Mason County be, and hereby is, granted.

IT IS FURTHER ORDERED that the proposed financing for the project, comprised of a \$2,235,000 loan using funds provided by the American Recovery and Reinvestment Act of 2009, with 100% debt forgiveness, and a \$1,500,000 Small Cities Block grant, be, and hereby is, approved. Upon finalization of the funding package, the Town shall file a letter with the Commission detailing the specifics of that funding package, including the terms and conditions of any loan awarded. If the funding package is revised, but still includes ARRA funds, the Town is not required to petition the Commission for approval of revised project financing, as long as the revised ARRA funding package does not require an additional rate increase. It will be sufficient for the Town to file the ARRA funding commitment documentation along with a certification from its certified public accountant or bond counsel that the revised funding package is adequate to cover all project costs and does not require any additional rate increase.

IT IS FURTHER ORDERED that the operations and maintenance agreement between the Town of Leon and Richmoor and Associates, be, and hereby is, approved.

IT IS FURTHER ORDERED that the billing agreement between the Town of Leon and Mason County Public Service District be, and hereby is, approved.

IT IS FURTHER ORDERED that the water service termination agreement between the Town of Leon and Mason County Public Service District be, and hereby is approved.

IT IS FURTHER ORDERED that, if the project scope changes, if project costs or financing require a further rate increase beyond any reviewed in this application, or if, ultimately, the Town of Leon does not receive any ARRA funding, the Town of Leon petition the Commission for approval of such change(s) prior to commencing construction.

IT IS FURTHER ORDERED that the Town of Leon cannot proceed to construction unless and until it has received all required federal, state and local permits, and unless the finally-awarded ARRA funding package is adequate to cover all project costs, as determined at the conclusion of the bidding process with a bid awarded for each construction contract or vendor contract for the project.

IT IS FURTHER ORDERED that the Town of Leon submit a copy of the certified tabulation of bids to the Commission, making the bids a part of the Commission's file in this case, within ten (10) days of opening the bids.

IT IS FURTHER ORDERED that the Town of Leon file with the Commission the certificate of substantial completion for the project engineer within ten (10) days of performing the substantial completion inspection.

IT IS FURTHER ORDERED that, if this project requires the use of Division of Highways' rights-of-way, the Town of Leon comply with all rules and regulations of the Division of Highways regarding the use of those rights-of-way.

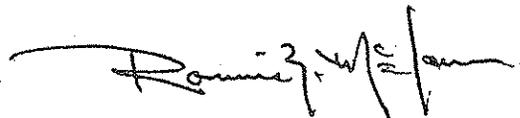
IT IS FURTHER ORDERED that this matter be, and hereby is, removed from the Commission's docket of open cases.

IT IS FURTHER ORDERED that the Executive Secretary serve a copy of this Recommended Decision upon the Commission by hand delivery and upon all parties of record by United States Certified Mail, return receipt requested.

Leave hereby is granted to the parties to file written exceptions supported by a brief with the Executive Secretary of the Commission within fifteen (15) days of the date this Recommended Decision 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 Recommended Decision 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 recommended decision 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 recommended decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.



Ronnie Z. McCann
Deputy Chief Administrative Law Judge

RZM:MKM:s:cdk
090472ac.wpd



**STEP TOE &
JOHNSON**
P.L.L.C.
ATTORNEYS AT LAW

Chase Tower, Eighth Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.step-toe-johnson.com

Writer's Contact Information
(304) 353-8148 - Telephone
(304) 353-8180 - Facsimile
todd.swanson@step-toe-johnson.com

May 12, 2009

VIA HAND DELIVERY

Sandra Squire, *Executive Secretary*
Public Service Commission of West Virginia
201 Brooks Street
Charleston, West Virginia 25323

Re: CASE NO.: 09-0472-S-PC-CN
TOWN OF LEON, MASON
COUNTY, WEST VIRGINIA

Application for a certificate of convenience and necessity to construct a sewerage system; for approval of an Operation and Maintenance Agreement; for approval of a Billing Agreement and a Termination Agreement; and for approval of the financing thereof

RECEIVED
2009 MAY 12 P 2:55
WVA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

Dear Ms. Squire:

Enclosed herein for filing on behalf of the Town of Leon please find the original and twelve (12) copies of an Affidavit of Publication evidencing publication of the Commission's April 3, 2009 Notice of Filing for the above captioned certificate proceeding.

I ask that you please file the enclosed affidavit and distribute the additional copies to the appropriate parties at the Commission. Additionally, please date stamp the file copy provided and return it with our messenger. Thank you in advance for your attention to this matter, and please do not hesitate to contact me should you have any questions.

Sincerely,

Todd M. Swanson
WVSB No. 10509

TMS

Enclosures

cc: Honorable M. Bruce Riffle (w/o enclosure)
Michael D. Griffith, CPA (w/o enclosure)
F. Wayne Hypes, P.E. (w/o enclosure)

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CH5146806.1



State Union State Union
Mason County, West Virginia

date of convenience and necessity to construct a sewerage system; for approval of an Operation and Maintenance Agreement; for approval of a Billing Agreement and a Termination Agreement, and for approval of related financing.

NOTICE OF FILING

On April 1, 2009, the Town of Leon ("Town") filed an application, duly verified, for a certificate of convenience and necessity to construct a sewerage system in Mason County. The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street in Charleston, West Virginia. The Town estimates that construction will not exceed \$2,468,000.00. It is proposed that the construction will be financed by a \$1,500,000 Small Cities Block Grant and a \$968,000.00 grant from the West Virginia Infrastructure and Jobs Development Council.

The Town proposes to construct a sewerage system consisting of 1,127 linear feet of 8" gravity sewer line, 5,335 linear feet of 6" gravity sewer line, 123 manholes, 11,265 linear feet of force mains, 3 duplex pumping stations, 17 simplex pumping stations, a 30,000 gpd extended aeration package wastewater treatment plant and appurtenances relating thereto.

The Town anticipates charging the following rates for its sewerage customers:

SCHEDULE NO. 1 APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for domestic, commercial, industrial (except unusual industrial waste) and resale sewer service.

RATES

First 3,000 Gallons Used Per Month \$11.00 Per 1,000 Gallons
Next 7,000 gallons used per month \$10.00 per 1,000 gallons
All over 10,000 gallons used per month \$5.50 per 1,000 gallons

MINIMUM CHARGE

(Customers with a metered water supply)
Each customer shall pay a minimum charge of: \$33.00 per month (Equivalent to 3,000 gallons of water usage)

FLAT-RATE CHARGE

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 usage. The Utility shall establish a nondiscriminatory policy regarding the provision for leak adjustments.

EFT CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the Utility from the financial institution for processing payment.

SCHEDULE NO. 2 SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE SURFACE DRAINAGE IS CONNECTED TO THE UTILITY'S SANITARY SEWER SYSTEM

Where the Utility has discovered that a Customer's roof drain, downspouts, storm sewer, or other similar facilities conducting surface water has been connected to the Utility's sewer system, and such customer has failed to take appropriate action, within thirty days of receipt of a demand by the Utility, in accordance with the rules and regulations of the Public Service Commission to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

$S = A \times R \times .0006233 \times C$
S - The surcharge in dollars

A - The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet

R - The measured monthly rainfall, in inches

C - .0006233 - A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water.

The Utility's approved rate per thousand gallons of metered water usage. The Utility shall not impose the surcharge unless, and until, the customer has been notified

by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced

refund given by the Utility, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

SCHEDULE NO. 4 APPLICABLE INSIDE AND OUTSIDE OF THE LIMITS OF THE UTILITY

Where the amount of sanitary sewage discharged into the Utility's wastewater collection and/or transmission and/or treatment system by certain industrial plant or plants cannot be accurately determined by the use of the plant's water meter or meters, and said plant cannot install a flow meter to measure such waste, a special formula will be used whereby such plant or plants will pay to the Utility a sewer charge calculated at fifty gallons of water per each employee at the plant each working day.

SCHEDULE NO. 5 APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY OF SERVICE

Available for wastewater and leachate haulers.

RATES

Commodity Charge: Each customer shall pay a commodity charge of \$40.00 per 1,000 gallons per load. Load will be the actual capacity of the truck or together transport method delivering wastewater and leachate. Actual capacity and/or Commodity amounts shall be determined, or verified solely, by the Utility

DELAYED PAYMENT PENALTY

the above schedule is net. On all current usage billings not paid 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 where it is appropriate.

RETURNED CHECK CHARGE \$25.00

A service charge of \$25.00 will be imposed upon any customer whose check for payment for charges is returned by the bank for any reasons.

The rates shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than averages. Furthermore, the re-

Point Pleasant Register

Point Pleasant www.mydailyregister.com

ID# 550516314
39 words per inch
55.00/inch

PROOF OF PUBLICATION

The State of West Virginia,
Mason County, ss:

I, Elizabeth Barnette, Advertising
Point Pleasant Register

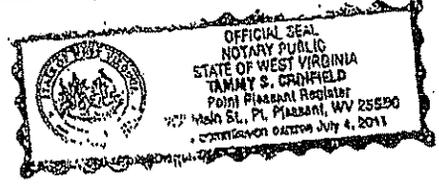
Make solemn oath that notice, of which the attached is a true copy, was published in The Point Pleasant Register, a Newspaper printed in the City of Point Pleasant in said County of Mason, and of general circulation in said

County, 1 times
beginning on April 17, 2009 and
ending April 17, 2009

Elizabeth Barnette
Point Pleasant, WV April 17, 2009
Carroll Kirkfield

Sworn to and subscribed before me this day.

Printer fees \$ 312.50



PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON
 Entered by the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 3rd day of April 2009.
 CASE NO. 09-0472-S-PC-ON
TOWN OF LEON
 Leon, WV 25123
 Application for a certificate

of convenience and necessity to construct a sewerage system for approval of an Operation and Maintenance Agreement, for approval of a Billing Agreement and a Termination Agreement, and for approval of related financing.

NOTICE OF FILING
 On April 1, 2009, the Town of Leon ("Town") filed an application, duly verified, for a certificate of convenience and necessity to construct a sewerage system in Mason County. The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

The Town estimates that construction will not exceed \$2,469,000.00. It is proposed that the construction will be financed by a \$1,500,000 Small Cities Block Grant and a \$969,000.00 grant from the West Virginia Infrastructure and Jobs Development Council.

The Town proposed to construct a sewerage system consisting of 12,775 linear feet of 6" gravity sewer line, 5,335 linear feet of 8" gravity sewer line, 123 manholes, 11,265 linear feet of force mains, 3 duplex pumping stations, 17 simplex pumping stations, a 30,000 gpd extended aeration package waste-water treatment plant, and appurtenances relating thereto.

The Town anticipates charging the following rates for its sewerage customers:

SCHEDULE NO. 1
APPLICABILITY
 Applicable within the entire territory served.

AVAILABILITY
 Available for domestic, commercial, industrial (except unusual industrial waste) and resale sewer service.

RATES
 First 3,000 Gallons Used Per Month \$11.00 Per 1,000 Gallons
 Next 7,000 gallons used per month \$10.00 per 1,000 gallons
 All over 10,000 gallons used per month \$5.50 per 1,000 gallons

MINIMUM CHARGE
 (Customers with a metered water supply)
 Each customer shall pay a minimum charge of \$83.00 per month (Equivalent to 3,000 gallons of water usage).

FLAT RATE CHARGE
 (Customers with non-metered water supply)
 Each customer shall pay a minimum charge of \$48.00 per month (Equivalent to 4,500 gallons of water usage).

DELAYED PAYMENT PENALTY

The above schedule is net. On all current usage billings 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.

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 usage. The Utility shall establish a non-discriminatory policy regarding the provision for leak adjustments.

EFT CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

SCHEDULE NO. 2
SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE SURFACE DRAINAGE IS CONNECTED TO THE UTILITY'S SANITARY SEWER SYSTEM

Where the Utility has discovered that a Customer's roof drain, downspouts, storm sewer, or other similar facility conducting surface water has been connected to the Utility's sewer system, and such customer has failed to take appropriate action, within thirty days of receipt of a demand by the Utility, in accordance with the Rules and Regulations of the Public Service Commission to eliminate such connection, a surcharge will be imposed upon this customer calculated on the basis of the following formula:

$S = A \times R \times C$
 The surcharge in dollars.

A - The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet.

R - The measured monthly rainfall, in inches.

C - A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water.

The Utility's approved rate per thousand gallons of metered water usage. The Utility shall not impose the surcharge unless, and until, the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty days from receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.

refund given by the Utility, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

SCHEDULE NO. 4
APPLICABLE INSIDE AND OUTSIDE OF THE LIMITS OF THE UTILITY

Where the amount of sanitary sewage discharged into the Utility's wastewater collection and/or transmission and/or treatment system by certain industrial plant or plants cannot be accurately determined by the use of the plant's water meter or meters, and said plant cannot install a flow meter to measure such waste, a special formula will be used whereby such plant or plants will pay to the Utility a sewer charge calculated at fifty gallons of water per each employee at the plant each working day.

SCHEDULE NO. 5
APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY OF SERVICE
 Available for wastewater and garbage haulers.

RATES
 Commodity Charge - Each customer shall pay a commodity charge of \$40.00 per 1,000 gallons per load. Load will be the actual capacity of the truck or other transport method delivering wastewater.

(see schedule. Actual capacity and/or Commodity amount shall be determined, or verified solely, by the Utility.)

DELAYED PAYMENT PENALTY

The above schedule is net. On all current usage billings not paid 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 where it is appropriate.

RETURNED CHECK CHARGE \$25.00

A service charge of \$25.00 will be imposed upon any customer whose check for payment for charges is returned by the bank for any reasons.

The rates 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 proposed 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.

Pursuant to W.Va. Code §24-2-11; IT IS ORDERED that the Town of Leon give notice of the filing of said application, by publishing a copy of this order once in a newspaper duly qualified by the Secretary of State, published and of general circulation in Mason county, making due return to this commission of proper certification of publication.

SEWER SERVICE SCHEDULE NO. 3
 DISCONNECTION SURCHARGE FOR
 CHARGE \$500.00
 The following charges
 are to be made when
 ever the utility installs a
 new tap to serve an ap-
 plicant:
 A tap fee of \$100.00 will
 be charged to customers
 applying for service be-
 fore construction is com-
 pleted adjacent to the
 customer's premises in
 connection with a canni-
 cation proceeding before
 the Commission.
 A tap of \$500.00, of the
 actual cost of the con-
 struction (solely deter-
 mined by the Utility),
 whichever is greater, will
 be charged to all cus-
 tomers who apply for
 service outside of a can-
 nification proceeding before
 the Commission for each
 new tap to the system.
 RETURNED CHECK
 CHARGE \$25.00
 A service charge of
 \$25.00 will be imposed
 upon any customer
 whose check for pay-
 ment of charges is re-
 turned by the bank for
 any reason.
 DISCONNECTION/RECONNEC-
 TION CHARGE/ADMINIS-
 TRATIVE FEES
 Water service will not be
 restored until all past due
 water bills have been
 paid in full and all re-
 quired penalties plus a
 disconnection charge of
 \$25.00 have been paid.
 There shall be a \$25.00
 reconnection charge paid
 prior to restoration of
 water service which has
 been previously discon-
 nected for any reason.
 In the event that Utility
 staff or agents collect
 money at the customer's
 residence in order to stop
 disconnection, an admin-
 istrative fee of \$25.00
 shall be paid in addition
 to other charges to pre-
 vent disconnection.
 INCREMENTAL COSTS
 \$5.00 per 1,000 gallons
 An amount not to exceed
 \$5.00 per 1,000 gallons
 is to be used when a bill

immediately after publi-
 cation. Anyone desiring
 to protest or intervene
 should file a written
 protest or notice of inter-
 vention within 30 days
 following the date of this
 publication unless other-
 wise modified by Com-
 mission order. Failure to
 timely protest or inter-
 vene can effect your right
 to protest aspects of this
 certificate case, including
 any associate rate in-
 creases, or to participate
 in future proceedings. All
 protests or requests to in-
 tervene should briefly
 state the reason for the
 protest or intervention.
 Requests to intervene
 must comply with the
 commission's rules on in-
 tervention set forth in the
 commission's Rules of
 Practice and Procedure.
 All protests and interven-
 tions should be ad-
 dressed to Sandra
 Squire, Executive Secre-
 tary, PO Box 812,
 Charleston, West Virginia
 25323.
 IT IS FURTHER OR-
 DERED, that if no
 protests are received
 within said thirty day
 period, the Commission
 may waive formal hear-
 ing and grant the applica-
 tion based on the
 evidence submitted with
 said application and its
 review thereof.
 FOR THE COMMISS-
 ION: Sandra Squire Ex-
 ecutive Secretary
 4/17

MULA TO BE APPLIED
 IN THE CASE OF
 USERS PRODUCING
 UNUSUAL WASTE
 Cl-VoVI+BoBl+SoS
 Cl- Charge to unusual
 users per year.
 Vol-Average unit cost of
 transport and treatment
 chargeable to volume, in
 dollars per gallon.
 Vol- Volume of waste-
 water from unusual users
 in gallons per year.
 Bo-Average unit cost of
 treatment, chargeable to
 Biochemical Oxygen De-
 mand (BOD) in dollars
 per pound.
 So- Average unit cost of
 treatment (including
 sludge treatment)
 chargeable to total solids
 in dollars per pound.
 Sl - Weight of total
 solids from unusual
 users in pounds per year.
 When an unusual user is
 to be served, a prelimi-
 nary study of its wastes,
 and the cost of transport
 and treatment thereof,
 will be made at the
 owner's expense. Waste
 containing materials
 which, in the judgment of
 the Utility, should not be
 introduced into the sewer
 system, need not be
 handled by it. The results
 of this preliminary study
 will be used to determine
 the feasibility of the pro-
 posed sewer service and
 the charge therefor,
 based upon the formula
 set out above.
 Thereafter, unusual
 sewage service will be
 monitored on a regular
 basis and at the conclu-
 sion of each fiscal year,
 based on the investiga-
 tion aforesaid and audit
 of the Utility records, new
 cost figures will be calcu-
 lated for use in the above
 formula. The cost of es-
 tablishing the monitoring
 facilities shall be paid by
 the unusual user. Based
 on those audited figures,
 additional billings cover-
 ing the past fiscal year
 will be made for payment
 by each unusual user, or

West Virginia Infrastructure & Jobs Development Council

Public Members:

Mark Prince
Hurricane
Dwight Calhoun
Petersburg
Tim Stranko
Morgantown
Dave McComas
Prichard

300 Summers Street, Suite 980
Charleston, West Virginia 25301
Telephone: (304) 558-4607
Facsimile: (304) 558-4609

Jefferson E. Brady, PE

Executive Director
Jefferson.Brady@verizon.net

September 12, 2006

The Honorable Jeffrey Miller
Mayor, Town of Leon
P.O. Drawer 136
Leon, West Virginia 25123

Re: Town of Leon
Binding Commitment
Wastewater Project 958-126

Dear Mayor Miller:

The West Virginia Infrastructure and Jobs Development Council (the "Council") has reviewed the Town of Leon's (the "Town") revised preliminary application to construct a new sewage treatment and collection system (the "Project"). The Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act.

The Council provides this binding offer of an Infrastructure Fund grant of approximately \$968,000 (the "Grant") to the Town for the Project. The Grant will be subject to the terms set forth on Schedule A attached hereto and incorporated herein by reference. The final Grant amount will be established after the Town has received acceptable bids for the Project. The Council will set aside a portion of the Infrastructure Fund to make the Grant upon the Town's compliance with the program requirements.

This commitment is contingent upon the Project meeting the following schedule:

- a. File Certificate Case with the Public Service Commission no later than June 30, 2008;
- b. Advertise for bids no later than October 31, 2008.
(NOTE: The Town must receive authority from the Infrastructure Council before bidding the project.)

The Council reserves the right to withdraw this Grant commitment if any of the above schedule dates are not met. The Council may, when justifiable circumstances occur, offer to modify the schedule. Any decision to modify the schedule is at the sole discretion of the Council.

Jeffrey Miller
September 12, 2006
Page 2

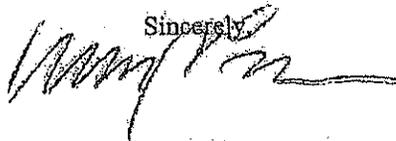
If the Town becomes aware that it will not meet one or more of the above schedule dates, the Town should immediately notify the Council of this fact and the circumstances which have caused or will cause the Town to be unable to meet the schedule. In addition, please immediately notify the Council if any of the other dates on the attached schedule have or will not be met.

The Council will enter into a Grant agreement with the Town following receipt of the completed Schedule B, a final, nonappealable order from the Public Service Commission authorizing construction of the Project, evidence of binding commitments for other funding, evidence of all permits, evidence of acceptable bids, and any other documents requested by the Council.

No statements or representations made before or after the issuance of this contingent commitment by any person or member of the Council shall be construed as approval to alter or amend this commitment, as all such amendments or alterations shall only be made in writing after approval of the Council.

If the Town has any questions regarding this commitment, please contact Jeff Brady at the above-referenced telephone number.

Sincerely,



Mark Prince

MP/jb

Attachments

cc: Dunn Engineers, Inc.
Region II Planning & Development Council
Debbie Legg, WVDO

NOTE: This letter is sent in triplicate. Please acknowledge receipt and immediately return two copies to the Infrastructure Council.

Town of Leon

By: Ryan Strover

Its: Mayor

Date: 09-15-08

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

Town of Leon
Wastewater Project 95S-126
September 12, 2006

SCHEDULE A

- A. Approximate Amount: \$ 968,000 Grant
- B. Grant: \$ 968,000
1. Loan Advancement Date(s) Monthly, upon receipt of proper requisition
2. Debt Service Commencement: The first quarter following completion of construction, which date must be identified prior to closing.
3. Special Conditions:
- A. Reserve Requirements One year's annual debt service
OR
Funding one year's annual debt service over the first ten years.
- B. Coverage 115% unless reserve fund is fully funded then coverage is 110%
- NOTICE: The terms set forth above are subject to change following the receipt of construction bids.
- C. Other Funding:
- SCBG \$1,500,000
- D. Total Project Cost: \$2,468,000

TOWN OF LEON

Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On this 20th day of November, 2009, 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 Town of Leon (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), of the Issuer, in the principal amount of \$1,097,917, numbered BR-1, issued as a single, fully registered Bond, and dated November 20, 2009 (the "Series 2009 B Bonds").

2. At the time of such receipt, the Series 2009 B Bonds had been executed by the Mayor and the Recorder of the Issuer by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2009 B Bonds, of the sum of \$54,896, being a portion of the principal amount of the Series 2009 B Bonds. The balance of the principal amount of the Series 2009 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.

[Remainder of page intentionally left blank]

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By: Careal A. Cummings
Its: Authorized Representative

TOWN OF LEON

By: M. Ben Puff
Its: Mayor

10.28.09
514960.00002

CH5150898.1

TOWN OF LEON

Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

The Huntington National Bank
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

On this 20th day of November, 2009, there are delivered to you herewith:

(1) Bond No. BR-1, constituting the entire original issue of the Town of Leon Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), in the principal amount of \$1,097,917, dated November 20, 2009 (the "Bonds"), executed by the Mayor and the Recorder of the Town of Leon (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 September 14, 2009, and a Supplemental Resolution duly adopted by the Issuer on November 9, 2009 (collectively, the "Bond Legislation");

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

(3) Executed counterparts of the ARRA Assistance agreement for the Series 2009 B Bonds, dated November 20, 2009, by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "ARRA Assistance Agreement"); and

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

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the Issuer of the sum of \$54,896, representing a portion of the principal amount of the Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

TOWN OF LEON

By: M. Bruce Ruff
Its: Mayor

11.05.09
514960.00002

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF LEON
SEWER REVENUE BONDS, SERIES 2009 B
(WEST VIRGINIA SRF PROGRAM/ARRA)

No. BR-1

\$1,097,917

KNOW ALL MEN BY THESE PRESENTS: The 20th day of November, 2009, that the TOWN OF LEON, a municipal corporation and political subdivision of the State of West Virginia in Mason 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 ONE MILLION NINETY SEVEN THOUSAND NINE HUNDRED SEVENTEEN DOLLARS (\$1,097,917), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2011, to and including March 1, 2021, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. This Bond shall not be subject to the SRF Administrative Fee (as defined in the hereinafter describe Bond Legislation).

This Bond shall bear no interest. Principal installments of this Bond are forgivable quarterly as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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 ARRA Assistance Agreement (the "ARRA Assistance Agreement") by and among the Issuer, the Authority and the DEP, dated November 20, 2009.

This Bond is issued (i) to pay a portion of the costs of the acquisition and construction of a public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series and related costs. The public sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on September 14, 2009, and a Supplemental Resolution duly adopted by the Issuer on November 9, 2009 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THERE ARE NO OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH WILL RANK ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, 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 Net Revenues, the monies in the Series 2009 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 or junior to the Bonds; provided however, that so long as there exists in the Series 2009 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 any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior to the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal and interest on of 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 TOWN OF LEON has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated the day and year first written above.

[SEAL]

M. Br...

Mayor

SPECIMEN

ATTEST:

C. Rem...

Recorder

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2009 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: November 20, 2009.

THE HUNTINGTON NATIONAL BANK,
as Registrar


Authorized Officer

SPECIMEN

EXHIBIT A
RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$54,896	November 20, 2009	(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

BOND DEBT SERVICE

Town of Leon

10 Years

Dated Date 11/20/2009

Delivery

Date 11/20/2009

Period Ending	Debt Service	Principal Forgiveness	Annual Principal Forgiveness
11/20/2009			
6/1/2011	27,448	27,448	
9/1/2011	27,448	27,448	
12/1/2011	27,448	27,448	
3/1/2012	27,448	27,448	109,792
6/1/2012	27,448	27,448	
9/1/2012	27,448	27,448	
12/1/2012	27,448	27,448	
3/1/2013	27,448	27,448	109,792
6/1/2013	27,448	27,448	
9/1/2013	27,448	27,448	
12/1/2013	27,448	27,448	
3/1/2014	27,448	27,448	109,792
6/1/2014	27,448	27,448	
9/1/2014	27,448	27,448	
12/1/2014	27,448	27,448	
3/1/2015	27,448	27,448	109,792
6/1/2015	27,448	27,448	
9/1/2015	27,448	27,448	
12/1/2015	27,448	27,448	
3/1/2016	27,448	27,448	109,792
6/1/2016	27,448	27,448	
9/1/2016	27,448	27,448	
12/1/2016	27,448	27,448	
3/1/2017	27,448	27,448	109,792
6/1/2017	27,448	27,448	
9/1/2017	27,448	27,448	
12/1/2017	27,448	27,448	
3/1/2018	27,448	27,448	109,792
6/1/2018	27,448	27,448	
9/1/2018	27,448	27,448	
12/1/2018	27,448	27,448	
3/1/2019	27,448	27,448	109,792
6/1/2019	27,448	27,448	
9/1/2019	27,448	27,448	
12/1/2019	27,448	27,448	
3/1/2020	27,448	27,448	109,792
6/1/2020	27,447	27,447	
9/1/2020	27,447	27,447	
12/1/2020	27,447	27,447	
3/1/2021	27,448	27,448	109,789
	1,097,917	1,097,917	1,097,917

(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:



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

November 20, 2009

Town of Leon
 Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

Town of Leon
 Leon, 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 to the Town of Leon (the "Issuer"), a municipal corporation and political subdivision of the State of West Virginia in connection with its \$1,097,917 Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), dated the date hereof (the "Bonds").

We have examined the law and a certified copy of proceedings and other papers relating to the authorization of (i) an ARRA Assistance Agreement dated November 20, 2009, including all schedules and exhibits attached thereto (the "ARRA Assistance 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 (ii) the Bonds to be purchased by the Authority in accordance with the provisions of the ARRA Assistance Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal forgivable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2011, to and including March 1, 2021, all as set forth in the "Schedule Y" attached to the ARRA Assistance Agreement and incorporated in and made a part of the Bonds. The Series 2009 B Bonds are not subject to the SRF Administrative Fee.

The Bonds are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the public sewerage system of the Issuer (the "Project"); and (ii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and the bond ordinance duly enacted by the Issuer on September 14, 2009, as supplemented by the Supplemental Resolution duly adopted by the Issuer on November 9, 2009 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the ARRA Assistance Agreement has been undertaken. 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 ARRA Assistance Agreement. All capitalized terms used herein and not defined herein shall have the same meanings set forth in the Bond Legislation.

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 ARRA Assistance Agreement has been duly authorized by and executed on behalf of the Issuer and is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof.

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

3. The Issuer is a duly organized and presently 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 or enact the Bond Legislation and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

4. The Bond Legislation and all other necessary ordinances and resolutions have been legally and effectively adopted or enacted by the Issuer 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 and Exhibits of the ARRA Assistance Agreement.

5. 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.

6. The Bonds are, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

7. 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.

No opinion is given herein as to the effect upon enforceability of the 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 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

11.05.09
514960.00002



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

November 20, 2009

Town of Leon
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

Town of Leon
Leon, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We are counsel to the Town of Leon in Mason County, West Virginia (the "Issuer"). As such counsel, we have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, an ARRA Assistance Agreement for the Series 2009 B Bonds, dated November 20, 2009, including all schedules and exhibits attached thereto, by and among the Issuer and the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), (the "ARRA Assistance Agreement"), a Bond Ordinance duly enacted by the Issuer on September 14, 2009, as supplemented by a Supplemental Resolution duly adopted by the Issuer on November 9, 2009 (collectively, the "Bond Legislation"), a Petition of the Sanitary Board duly adopted on October 7, 2009, and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the ARRA Assistance Agreement when used herein.

We are 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, and the Mayor, Recorder 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 ARRA Assistance Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other

10

parties thereto, constitute valid and binding agreements of the Issuer enforceable in accordance with its terms.

3. The Bond Legislation has been duly adopted and enacted by the Issuer and is in full force and effect.

4. The execution and delivery of the Bonds, the ARRA Assistance Agreement and the consummation of the transactions contemplated by the Bonds, the ARRA Assistance 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 by which the Issuer or its properties are bound or any existing law, regulation, court order or consent decree to which the Issuer is subject.

5. 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, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance dated April 6, 2009. Such ordinance remains in full force and effect.

6. The Issuer has received the Recommended Decision entered on July 14, 2009 which became final order on August 3, 2009, in Case 09-0472-S-PC-CN, and affidavit of CPA dated November 4, 2009, granting to the Issuer 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 having been filed. Such Order remains in full force and effect.

7. To the best of our 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 ARRA Assistance 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 therefor.

8. We 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 comply with the Drug Free Workplace Act, Article 1D, Chapter 21 of the West Virginia Code. Prior to the execution of construction contracts by the Issuer, we will verify that all successful bidders have made the required provisions for all insurance and payment and performance bonds and we will verify such insurance policies and bonds for accuracy. Prior to the execution of construction contracts by the Issuer, we will review the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project,

Town of Leon, et al.

Page 3

and verify 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 ARRA Assistance 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.

Very truly yours,



STEPH JOE & JOHNSON PLLC

SHAW & TATTERSON, L. C.

Attorneys at Law

610 Main Street

P.O. Box 3

Point Pleasant, WV 25550

E-Mail: shawlaw@suddenlinkmail.com

Phone: (304) 675-2669

Fax: (304) 675-2654

R. Michael Shaw
R. Craig Tatterson
R. Michael Shaw, Jr.

November 20, 2009

Mr. Chris Jarrett, Executive Director
West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311-1571

Ms. Angela Chestnut, P.E., Executive Director
West Virginia Infrastructure and Jobs Development Council
180 Association Drive
Charleston, WV 25311

Re: **Town of Leon
Sanitary Sewer System
WV IJDC No. 955-126
Final Title Opinion**

Ladies and Gentlemen:

This firm represents the Town of Leon and its Sanitary Board with regard to a proposed project to construct a sanitary sewer system (the "Project"), and provides this final title opinion on behalf of the Town of Leon and its Sanitary Board to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council (the "Council") with regard to the Infrastructure Fund financing proposed for the Project. Please be advised of the following:

1. That I am of the opinion that the Town of Leon is a duly created and existing municipal corporation possessed with all the powers and authority granted to municipal corporations under the laws of the State of West Virginia and through its sanitary board has the full power and authority to construct, operate and maintain the Project as approved by the Department of Environmental Protection and the Bureau for Public Health.
2. That the Town of Leon and its Sanitary Board has obtained approval for all necessary permits and approvals for the construction of the Project.
3. That I have investigated and ascertained the location of and am familiar with the legal description of the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by Dunn Engineers, Inc., the

consulting engineers for the Project.

4. That I have examined the records on file in the Office of the Clerk of the County Commission of Mason County, West Virginia, the county in which the Project is to be located, and, in my opinion, the Town of Leon and its Sanitary Board has acquired legal title or such other estate or interest in the necessary site components for the Projects, including 100% of the 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 facilities to be constructed, except and subject to the following:

Legal title, including, as appropriate, easements and/or rights of way, to each of the properties listed below is being acquired through formal condemnation proceedings. A right of entry of entry has been secured for all property necessary.

1. Pat Wilson, IV, *Et. Al.*

5. That any deeds or other documents which have been acquired to date by the Town of Leon have been duly recorded in the aforesaid Clerk's Office in order to protect the legal title to and interest of the Town of Leon.
6. The Town of Leon has obtained from the West Virginia Division of Highways approval for a permit authorizing the construction of the Project as described in the plans upon, over and through public rights of way as shown in the plans.

If you have any questions regarding any of the information contained in this final title opinion, please contact this office.

Sincerely,

R. Craig Tatterson / mdr.
R. Craig Tatterson, Esq.

Cc: Samme L. Gee, Esq.-Jackson Kelly, PLLC
Katy Mallory, P.E.-Steptoe & Johnson
Kathy Elliott-Region II P & D Council
Dunn Engineers, Inc.

EXHIBIT A

ARRA Special Conditions

A. PUBLIC RELEASE REQUIREMENT – The Local Government agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, groundbreaking 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. BUY AMERICAN CERTIFICATION – The Local Government shall cause the contractor(s) to comply with, and provide certification of, the Buy American provisions of the ARRA in accordance with final guidance from the EPA.

D. ASSET MANAGEMENT – The Local Government shall develop and implement an asset management plan in accordance with guidelines issued by DEP and is approved by DEP. New systems shall submit the asset management plan to DEP when the Project is complete. Existing systems shall submit the asset management plan to DEP within six months following completion of the Project.

E. CONTRACTS – The Local Government shall enter into contracts or commence construction by February 17, 2010.

F. LOGO – The Local Government must display the ARRA logo in a manner that informs the public that the project is an ARRA investment.

G. LOBBYING - The Local Government shall comply with Title 40 CFR Part 34, New Restrictions on Lobbying and shall submit certification and disclosure forms as required by DEP.

H. PURCHASING REQUIREMENTS – The Local Government shall comply with Section 6002 of the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. 6962). Regulations issued under RCRA Section 6002 apply to any acquisition of an item where the purchase price exceeds \$10,000 or where the quantity of such items acquired in the course of the preceding fiscal year was \$10,000 or more. RCRA Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials

identified in guidelines developed by EPA. These guidelines are listed in 40 CFR 247.

I. **SUSPENSION AND DEBARMENT** – The Local Government shall comply with Subpart C of 2 CFR Part 180 and 2 CFR Part 1532, entitled “Responsibilities of Participants Regarding Transactions (Doing Business with Other Persons). To the extent required by DEP, the Local Government shall provide certifications as to compliance.

J. **REPORTING** – The Local Government shall comply with all requests for data related to the use of the funds provided under this agreement, including the information required in section 1512 of ARRA when requested by DEP.

K. **INSPECTOR GENERAL REVIEWS** – The Local Government shall allow any appropriate representative of the Office of US Inspector General to (1) examine its records relating to the Project and this ARRA Assistance Agreement and (2) interview any officer or employee of the Local Government.

L. **FALSE CLAIMS** – The Local Government must promptly refer to EPA’s Inspector General any credible evidence that a principal, employee, agent, sub-grantee contractor, subcontractor, loan recipient, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving funds provided under this ARRA Assistance Agreement.

M. **LIMIT ON FUNDS** – The Local Government shall not use funds for particular activities for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

N. **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 applicable to ARRA funds.

O. **OFFICE OF MANAGEMENT AND BUDGET (OMB) GUIDANCE** – The Local Government acknowledges and agrees that this ARRA Assistance is subject to all applicable provisions of implementing guidance for the American Recovery and Reinvestment Act of 2009 issued by the United States Office of Management and Budget, including the Initial Implementing Guidance for the American Recovery and Reinvestment Act (M-09-10) issued on February 18, 2009 and available on www.recovery.gov, and any subsequent guidance documents issued by OMB.

P. **DISADVANTAGED BUSINESS ENTERPRISE** – Pursuant to 40 CFR,

Section 33.301, the Local Government agrees to make good faith efforts whenever procuring construction, equipment, services and supplies, and to require that prime contractors also comply. The Local Government shall provide DEP with MBE/WBE participation reports semi-annually.

Q. CIVIL RIGHTS – The Local Government shall comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and a variety of program-specific statutes with nondiscrimination requirements. The Local Government shall also comply with Title VII of the Civil Rights Act of 1964 (prohibiting race, color, national origin, religion, and sex discrimination in employment), the Americans with Disabilities Act (prohibiting disability discrimination in employment and in services provided by State and local governments, businesses, and non-profit agencies), and the Fair Housing Act (prohibiting race, color, national origin, age, family status, and disability discrimination in housing), as well as any other applicable civil rights laws.

R. BOND DESIGNATION – Each Local Bond funded by ARRA funds shall be designated “Series [2009] B” and shall contain “(WVCWSRF Program/ARRA)” in the bond name.

S. USER RATES – The Local Government shall covenant that it will not reduce its approved or enacted customer rates for at least eighteen months after completion of the Project or until such time as a cost of service study has been completed establishing the actual operation and maintenance expenses.

TOWN OF LEON

Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

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. CONTRACTORS' INSURANCE, ETC.
10. ARRA ASSISTANCE AGREEMENT
11. INSURANCE
12. VERIFICATION OF SCHEULE
13. RATES
14. SIGNATURES AND DELIVERY
15. BOND PROCEEDS
16. PUBLICATION AND PUBLIC HEARING ON BOND
ORDINANCE
17. PUBLIC SERVICE COMMISSION ORDERS
18. SPECIMEN BOND
19. CONFLICT OF INTEREST
20. PROCUREMENT OF ENGINEERING SERVICES
21. CLEAN WATER ACT
22. GRANTS
23. EXECUTION OF COUNTERPARTS

We, the undersigned MAYOR and RECORDER of the Town of Leon in Mason County, West Virginia (the "Issuer"), and the undersigned COUNSEL to the ISSUER, hereby certify this 20th day of November, 2009, in connection with the Issuer's Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), dated the date hereof (the "Bonds" or the "Series 2009 B 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 September 14, 2009 and the Supplemental Resolution duly adopted

November 9, 2009 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of the Net Revenues or any grants, 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 Net Revenues or any other monies or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the collection of the Gross Revenues or the pledge of Net 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 acquisition and construction of the Project, the operation of the System, the imposition of rates and charges, and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended, which bids remain in full force and effect.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval, execution and delivery by the Issuer of the ARRA Assistance Agreement, and the Issuer has met all conditions prescribed in the ARRA Assistance Agreement. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

Upon issuance of the Series 2009 B Bonds, there will be no outstanding obligations of the Issuer which will rank either on a parity with or junior and subordinate to the Series 2009 B Bonds as to liens, pledge, source of and security for payment.

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

ARRA Assistance Agreement

Public Service Commission Orders

Infrastructure and Jobs Development Council Approval

Charter and Rules of Procedure

Oaths of Office of Officers and Councilmembers

Ordinance Creating Sanitary Board

Petition of Sanitary Board

Sewer Rate Ordinance

Affidavit of Publication of Sewer Rate Ordinance and Notice of Public Hearing

Minutes on Adoption and Enactment of Sewer Rate Ordinance

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

Minutes on Adoption and Enactment of Bond Ordinance and Supplemental Resolution

NPDES Permit

Evidence of Insurance

West Virginia Infrastructure Council Grant Agreement

Evidence of Small Cities Block Grant

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is the "Town of Leon." The Issuer is a municipal corporation in Mason 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 5 councilmembers, all duly elected or appointed, as applicable, qualified and acting, and whose names and dates of commencement and termination of current terms of office are as follows:

Name	Date of Commencement of Office	Date of Termination of Office
M. Bruce Riffle, Mayor	July 1, 2009	June 30, 2013
C. Renae Riffle, Recorder	July 1, 2009	June 30, 2013

Dawn Livingston, Councilmember	July 1, 2009	June 30, 2013
Adam Null, Councilmember	July 1, 2009	June 30, 2013
Terri A. Rymer, Councilmember	July 1, 2009	June 30, 2013
Crystal Cash, Councilmember	July 1, 2009	June 30, 2013
Gregory M. Barker, Councilmember	July 1, 2009	June 30, 2013

The duly elected or appointed members of the Sanitary Board for 2009 are as follows:

<u>Name</u>	<u>Term of Office</u>
M. Bruce Riffle, Chairman	– November 1, 2009 through October 31, 2011
Christopher Sayre	– November 1, 2009 through October 31, 2011
Joseph T. Bevil, P.E.	– November 1, 2009 through October 31, 2011

The duly appointed and acting Counsel to the Issuer is Steptoe & Johnson PLLC, Charleston, West Virginia.

7. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the acquisition and construction of the Project and the operation and maintenance of the System have been acquired or can and will be acquired by purchase, or, if necessary, by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties which may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Bonds.

8. MEETINGS, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds and the acquisition, construction and financing of the Project 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. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and

builder's risk insurance where applicable, in accordance with the Bond Legislation. The successful bidders have provided the Drug-Free Workplace Affidavit as evidence of compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code. All insurance for the System required by the Bond Legislation and ARRA Assistance Agreement is in full force and effect.

10. ARRA ASSISTANCE AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the ARRA Assistance Agreement are true and correct in all material respects as if made on the date hereof; (ii) the ARRA Assistance 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 ARRA Assistance 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 ARRA Assistance Agreement not misleading; and (iv) the Issuer is in compliance with the ARRA Assistance Agreement.

The Issuer shall make monthly payments into the Renewal and Replacement Fund as required by Section 4.1 of the ARRA Assistance Agreement for at least the term of the Series 2009 Bonds.

The Issuer shall notify the Authority and the DEP of any proposed bond indebtedness secured by the revenues of the System.

The Special Conditions of the ARRA Assistance Agreement are attached as Exhibit A and hereby incorporated herein.

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.

11. 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 Bond Legislation and the ARRA Assistance Agreement. All insurance for the System required by the Bond Legislation and the ARRA Assistance Agreement are in full force and effect.

12. 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.

13. RATES: The Issuer has duly enacted a sewer rate ordinance on April 6,

2008, setting rates and charges for the services of the System. The time for appeal of such sewer rate ordinance has expired prior to the date hereof without any appeal, and such rates are currently effective.

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 his or her manual signature, and the undersigned Recorder 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 ARRA Assistance Agreement. Said official seal of the Issuer is also impressed above the signatures appearing on this certificate.

15. BOND PROCEEDS: On the date hereof, the Issuer received \$54,896 from the Authority and the DEP, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

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 Point Pleasant Register*, a qualified newspaper published and of general circulation in the Town of Leon, 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 14th day of September, 2009, at 7:00 p.m., at the Town Hall and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the Recorder 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. PUBLIC SERVICE COMMISSION ORDERS: The Issuer has received all orders and approvals from the Public Service Commission of West Virginia, including the Recommended Decision entered on July 14, 2009, which became Final Order on August 3, 2009, and Affidavit of Certified Public Accountant dated November 4, 2009 in Case No. 09-0472-S-PC-CN, among other things, granting to the Issuer a certificate of convenience and necessity for the Project and approving the financing for the Project. The time for appeal of such Final Order has expired prior to the date hereof without any appeal. Such Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant, intervenor or other person not a party to such Order. The order remains in full force and effect.

18. SPECIMEN BOND: Delivered concurrently herewith is a true and accurate specimen of the Bond.

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

20. 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.

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

22. GRANTS: As of the date hereof, the grant from the West Virginia Infrastructure and Jobs Development Council in the amount of \$968,000 and a Small Cities Block Grant in the amount of \$1,500,000 are committed and in full force and effect.

23. 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 Town of Leon on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

M. Ben Riffe

Mayor

C. Renae Riffe

Recorder

Stephen J. Riffe LLC

Counsel to the Issuer

11.05.09
514960.00002

EXHIBIT A

ARRA Special Conditions

A. **PUBLIC RELEASE REQUIREMENT** – The Local Government agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, groundbreaking 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. **BUY AMERICAN CERTIFICATION** – The Local Government shall cause the contractor(s) to comply with, and provide certification of, the Buy American provisions of the ARRA in accordance with final guidance from the EPA.

D. **ASSET MANAGEMENT** – The Local Government shall develop and implement an asset management plan in accordance with guidelines issued by DEP and is approved by DEP. New systems shall submit the asset management plan to DEP when the Project is complete. Existing systems shall submit the asset management plan to DEP within six months following completion of the Project.

E. **CONTRACTS** – The Local Government shall enter into contracts or commence construction by February 17, 2010.

F. **LOGO** – The Local Government must display the ARRA logo in a manner that informs the public that the project is an ARRA investment.

G. **LOBBYING** - The Local Government shall comply with Title 40 CFR Part 34, New Restrictions on Lobbying and shall submit certification and disclosure forms as required by DEP.

H. **PURCHASING REQUIREMENTS** – The Local Government shall comply with Section 6002 of the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. 6962). Regulations issued under RCRA Section 6002 apply to any acquisition of an item where the purchase price exceeds \$10,000 or where the quantity of such items acquired in the course of the preceding fiscal year was \$10,000 or more. RCRA Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials

identified in guidelines developed by EPA. These guidelines are listed in 40 CFR 247.

I. SUSPENSION AND DEBARMENT – The Local Government shall comply with Subpart C of 2 CFR Part 180 and 2 CFR Part 1532, entitled “Responsibilities of Participants Regarding Transactions (Doing Business with Other Persons). To the extent required by DEP, the Local Government shall provide certifications as to compliance.

J. REPORTING – The Local Government shall comply with all requests for data related to the use of the funds provided under this agreement, including the information required in section 1512 of ARRA when requested by DEP.

K. INSPECTOR GENERAL REVIEWS – The Local Government shall allow any appropriate representative of the Office of US Inspector General to (1) examine its records relating to the Project and this ARRA Assistance Agreement and (2) interview any officer or employee of the Local Government.

L. FALSE CLAIMS – The Local Government must promptly refer to EPA’s Inspector General any credible evidence that a principal, employee, agent, sub-grantee contractor, subcontractor, loan recipient, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving funds provided under this ARRA Assistance Agreement.

M. LIMIT ON FUNDS – The Local Government shall not use funds for particular activities for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

N. 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 applicable to ARRA funds.

O. OFFICE OF MANAGEMENT AND BUDGET (OMB) GUIDANCE – The Local Government acknowledges and agrees that this ARRA Assistance is subject to all applicable provisions of implementing guidance for the American Recovery and Reinvestment Act of 2009 issued by the United States Office of Management and Budget, including the Initial Implementing Guidance for the American Recovery and Reinvestment Act (M-09-10) issued on February 18, 2009 and available on www.recovery.gov, and any subsequent guidance documents issued by OMB.

P. DISADVANTAGED BUSINESS ENTERPRISE – Pursuant to 40 CFR,

Section 33.301, the Local Government agrees to make good faith efforts whenever procuring construction, equipment, services and supplies, and to require that prime contractors also comply. The Local Government shall provide DEP with MBE/WBE participation reports semi-annually.

Q. CIVIL RIGHTS – The Local Government shall comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and a variety of program-specific statutes with nondiscrimination requirements. The Local Government shall also comply with Title VII of the Civil Rights Act of 1964 (prohibiting race, color, national origin, religion, and sex discrimination in employment), the Americans with Disabilities Act (prohibiting disability discrimination in employment and in services provided by State and local governments, businesses, and non-profit agencies), and the Fair Housing Act (prohibiting race, color, national origin, age, family status, and disability discrimination in housing), as well as any other applicable civil rights laws.

R. BOND DESIGNATION – Each Local Bond funded by ARRA funds shall be designated “Series [2009] B” and shall contain “(WVCWSRF Program/ARRA)” in the bond name.

S. USER RATES – The Local Government shall covenant that it will not reduce its approved or enacted customer rates for at least eighteen months after completion of the Project or until such time as a cost of service study has been completed establishing the actual operation and maintenance expenses.

TOWN OF LEON

Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

CERTIFICATE OF ENGINEER

I, Fred Hypes, Registered Professional Engineer, West Virginia License No. 9327, of Dunn Engineers, Inc., Charleston, West Virginia, hereby certify this 20th day of November, 2009, as follows:

1. My firm is engineer for the acquisition and construction of certain extensions, additions, betterments and improvements (the "Project") to the existing sewerage system (the "System") of the Town of Leon (the "Issuer"), to be constructed in Mason County, West Virginia, which acquisition and construction are being permanently 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 September 14, 2009, as supplemented by the Supplemental Resolution of the Issuer adopted November 9, 2009 (collectively, the "Bond Legislation") and the ARRA Assistance Agreement for the Series 2009 B Bonds, by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), dated November 20, 2009 (collectively, the "ARRA Assistance Agreement").

2. The Bonds are being issued (i) to pay a portion of 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 the Authority and any change orders approved by the Issuer, the Authority, 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 10 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and Steptoe & Johnson PLLC, counsel to the Issuer, will ascertain 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; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the successful bidders have provided the drug-free workplace affidavit as evidence of compliance with the provisions of Article 1D, Chapter 21 of the West Virginia

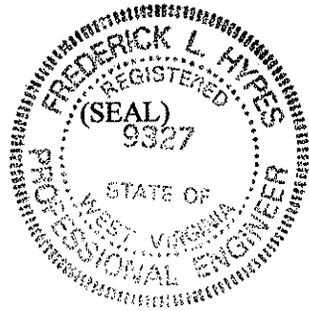
Code; (vi) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain the critical operational components of the Project; (vii) the successful bids include prices for every item on such bid forms; (viii) the uniform bid procedures 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 operation of the System; (x) in reliance upon the certificate of the Issuer's certified public accountant, Griffith & Associates, PLLC, of even date herewith, as of the effective date thereof, the rates and charges for the System as enacted by the Issuer will be sufficient to comply with the provisions of the ARRA Assistance Agreement; (xi) the net proceeds of the Bonds, together with all other monies 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. I have received the Buy American Certification from each contractor.

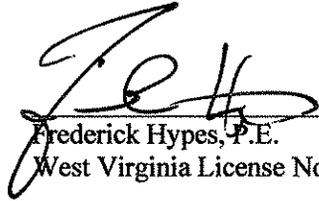
5. The Project will serve 150 new customers in the Town of Leon, Brownville Road and Leon-Baden Road areas.

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WITNESS my signature and seal on the day and year first written above.



DUNN ENGINEERS, INC.


Frederick Hypes, P.E.
West Virginia License No. 9327

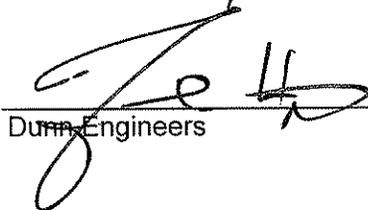
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Leon, Town of Post bid

	TOTAL	ARRA SRF100%	SCBG	IJDC Grant
A. COST OF PROJECT:				
1 CONSTRUCTION				
Contract #1	2,565,287	1,077,417	858,634	629,236
2 TECHNICAL SERVICES				
Prelim engineering	13,000	0	13,000	0
Design	191,000	0	191,000	0
Basic	70,000	0	70,000	0
Special/Other Svcs	67,000	0	67,000	0
Resident Inspection	165,000	0	165,000	0
3 LEGAL & FISCAL				
Legal (Title)	11,000	0	0	11,000
Legal	17,000	0	0	17,000
Accountant	12,000	0	0	12,000
4 ADMINISTRATIVE				
Administrative	85,000	0	65,000	20,000
Permits & Fees	13,100	0	13,100	0
Power to site	150,000	0	0	150,000
ADA	326	0	326	0
5 Sites & Other Lands				
Acquisition activity	0	0	0	0
Land acquisition (purchase)	56,940	0	56,940	0
6 CONTINGENCY	128,764	0	0	128,764
7 TOTAL	3,545,417	1,077,417	1,500,000	968,000
B. COST OF FINANCING				
8 Funded Reserve	0	0	0	0
9 Registrar fees	500	500	0	0
10 Bond Counsel	20,000	20,000	0	0
11 Cost of Financing	20,500	20,500	0	0
12 TOTAL Cost of Project	3,565,917	1,097,917	1,500,000	968,000
C. SOURCES OF FUNDS				
13 State Grants (IJDC)	968,000	0	0	968,000
14 Federal Grants (SCBG)	1,500,000	0	1,500,000	0
15 Total Grant Sources	2,468,000	0	1,500,000	968,000
16 Net proceeds from Bond Issuance	1,097,917	1,097,917	0	0


 Town of Leon

11/20/09
 Date


 Durr Engineers

11/20/09
 Date



November 20, 2009

Town of Leon
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

Town of Leon
Leon, 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 rates and charges set forth in the sewer rate ordinance of Town of Leon (the "Issuer"), enacted July 14, 2008, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Dunn Engineers, Inc., the Consulting Engineer to the Issuer, it is my opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system (the "System") of the Issuer, will pay all repair, operation and maintenance expenses of the System and provide for funding the Renewal and Replacement Account, and all other obligations secured by a lien on or payable from such revenues.

Very truly yours,



Michael D. Griffith, CPA, AFI
Griffith & Associates, PLLC

MDG/dk

TOWN OF LEON

Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Mayor of the Town of Leon in Mason County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of \$1,097,917 Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), of the Issuer, dated November 20, 2009 (the "Bonds" or the "Series 2009 B Bonds"), on this 20th day of November, 2009, 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 September 14, 2009, as supplemented by Supplemental Resolution duly adopted by the Issuer on November 9, 2009 (the "Bond Legislation"), 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 November 20, 2009, the date on which the Bonds are being physically delivered in exchange for an initial advance of \$54,896, being a portion of the principal amount of the Series 2009 B Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

4. In the Bond Legislation 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 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. The Series 2009 B Bonds were sold on November 20, 2009, to the Authority, pursuant to a ARRA Assistance Agreement dated November 20, 2009, by and among

the Issuer, the Authority and the DEP, for an aggregate purchase price of \$1,097,917 (100% of par), at which time, the Issuer received \$54,896 from the Authority and the DEP, being the first advance of the principal amount of the Series 2009 B Bonds. No accrued interest has been or will be paid on the Series 2009 B Bonds. The balance of the principal amount of the Series 2009 B Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2009 B Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) paying certain costs of issuance of the Bonds and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2009 B Bonds Reserve Account, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before May 1, 2011. The acquisition and construction of the Project is expected to be completed by November 1, 2010.

8. The total cost of the Project is estimated at \$3,565,917. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2009 B Bonds	\$1,097,917
Small Cities Block Grant	\$1,500,000
Infrastructure Council Grant	<u>\$968,000</u>
Total Sources	<u>\$3,565,917</u>

USES

Costs of Acquisition and Construction of the Project	\$3,545,417
Costs of Issuance	<u>\$ 20,500</u>
Total Uses	<u>\$3,565,917</u>

9. Pursuant to Article V of the Bond Legislation, the following special funds or accounts have been created or continued relative to the Series 2009 B Bonds:

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund;
- (3) Series 2009 B Bonds Construction Trust Fund;
- (4) Series 2009 B Bonds Sinking Fund; and
- (5) Series 2009 B Bonds Reserve Account.

10. Pursuant to Article VI of the Bond Legislation, the proceeds of the Bonds will be deposited as follows:

- (1) Series 2009 B Bonds proceeds in the amount of \$-0- will be deposited in the Series 2009 B Bonds Sinking Fund to cover capitalized interest.
- (2) Series 2009 B Bonds proceeds in the amount of \$-0- will be deposited in the Series 2009 B Bonds Reserve Account.
- (3) The balance of the proceeds of the Series 2009 B Bonds will be deposited in the Series 2009 B 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 2009 B Bonds and related costs.

11. Monies held in the Series 2009 B Bonds Sinking Fund will be used solely to pay principal of and interest on, if any, the Series 2009 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 2009 B Bonds Sinking Fund and Series 2009 B Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2009 B Bonds Construction Trust Fund 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 Legislation.

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 12 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 Series 2009 B Bonds

Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 18 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 Legislation authorizing the issuance of the Bonds if such amendment is necessary to assure that the Bonds remain public purpose bonds.

23. The Issuer has either (a) funded the Series 2009 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 2009 B Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2009 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 2009 B Bonds Reserve Account and the Series 2009 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.

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WITNESS my signature on the day and year first above written.

TOWN OF LEON

By: *M. Bue Ruff*
Its: Mayor

11.05.09
514960.00002

TOWN OF LEON

RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES

Pursuant to Chapter 6, Article 9A, Section 3 of the West Virginia Code, the Council of the Town of Leon does hereby adopt the following rules to make available, in advance, the date, time, place and agenda of all regularly scheduled meetings of the Council, and the date, time, place and purpose of all special meetings of the Council to the public and news media (except in the case of an emergency requiring immediate action) as follows:

I. Regular Meetings. A notice shall be posted and maintained by the Clerk at the front door or bulletin board of the Town Hall of the date, time and place fixed and entered of record by Council for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same location by the Town Clerk not less than 3 business days before such regular meeting is to be held. If a particular regularly scheduled meeting is canceled or postponed, a notice of such cancellation or postponement shall be posted at the same location as soon as feasible after such cancellation or postponement has been determined.

II. Special Meetings. A notice shall be posted by the Clerk at the front door or bulletin board of the Town Hall not less than 2 business days before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is canceled, a notice of such cancellation shall be posted at the same location as soon as feasible after such cancellation has been determined.

These rules regarding notice of meetings shall replace any and all previous rules heretofore adopted by Council.

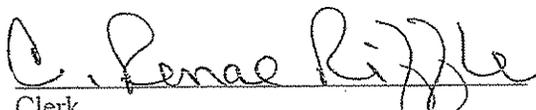
Adopted this 13th day of July, 2009.



Mayor

[SEAL]

ATTEST:



Clerk

Henry Mig. a native of Germany, this day declares, on oath, that it
has been his intention to become a citizen of the United States, and to
renew forever, all Allegiance and fidelity to any foreign Prince, Power,
State, or Sovereignty, whatsoever and particularly to Prince Frederik
of Baden Germany.

L. M. Sitzer to J. B. Cole and
L. M. Crawford, late partners
and Merchants

Robert Selig +
John L. Sebrall

upon a Motion on a forfeited American
Key for the forthcoming and delivery of property
on the day of sale

This day came the Plaintiffs by their attorney and
appearing to the Court that the defendants have had legal notice of
this motion, the said defendants were twice called but came not,
whereupon the notice counters and (uncertaining being present)
in Court and being examined by the Court, therefore it is considered
by the Court that the Plaintiffs recover against the defendants the sum
of One hundred and forty nine dollars and twenty four cents
the amount specified in the recd taking with legal interest
thereon from the 4th day of February 1872 till paid, and their
costs by them about their motion in this behalf expended and the
said defendants in Money +

On the application of R. D. Dimes, A Developer and others
to incorporate the town of Lewis,

It appearing to the Court that the
Certificate of Election and its results has been returned under
oath to this Court, showing that a majority of all the qualified
Voters residing within the boundary of said ~~town~~ corporate town
limits are in favor of said Corporation, and it further appears
to the Court that Sections 2, 3, 4, 5, 6, 7 and 8 of Chapter 47 of the
Code of West Virginia have been complied with, it is therefore
Ordered, that the Clerk of this Court issue a Certificate of the
Incorporation of said town, in substance as follows to wit:

A Certificate under oath of James A. Dime, A Developer
and J. L. Wells that a majority of all the qualified Voters, residing
in the following boundary to wit, commencing at the mouth
of Shorten Mill Creek running with the Mendocino River, to
a stake on the Banks S. 25° E. 222 poles thence N. 64° E. 180
poles to a Maple on the Banks of Shorten Mill Creek,
thence N. 00 West 48 poles, thence N. 25. W. 40 poles, thence N.
70. W. 28 poles, thence N. 22. W. 110 poles, thence N. 20. W. 10
poles, thence N. 48. W. 15 poles N. 50. W. 10 poles, thence N.
80. W. 12 poles, thence S. 85. W. 37 poles, S. 70. W. 40 poles, S. 55.
W. 48 poles, S. 62. W. 50 poles to the Beginning containing one
half square mile have been given in due form of law in
favor of the incorporation of the Town of Lewis, in the County

of Mason, founding as herein set forth, and it appearing to the satisfaction of the Court that all the provisions of Chapter forty seven of the Code of West Virginia have been complied with by the Applicants for said incorporation, the Court is duly authorized within the corporate limits aforesaid to exercise all the corporate powers conferred by the said Chapter, from and after the date of this Certificate.

Wm. B. Mangrum Clerk

The State
vs
M. J. Hunt for felony

George Davis
The copies subpoenaed against the defendant at the last term having been returned by the Sheriff not found, ordered that a new copy issue against the defendant returnable here on the first day of the next term.

The State
vs
M. J. Hunt for felony

Joseph McQuibbott
The copies subpoenaed against the defendant having been returned not found, ordered that a new copy issue against the defendant returnable here on the first day of the next term.

The State
vs
M. J. Hunt for felony

Robert Sturgeon
Blaine and Charles Cook
The copies subpoenaed against the defendants having been returned not found, ordered that a new copy issue against the defendants returnable here on the first day of the next term.

The State
vs
M. J. Hunt for felony

Joseph Spencer
The alias return copies issued against the defendant having been returned not found, ordered that a new copy issue against the defendant returnable here on the first day of the next term.

The State
vs
M. J. Hunt for felony

Thomas Sturgeon
The alias return copies issued against the defendant having been returned not found, ordered that a new copy issue against the defendant returnable here on the first day of the next term.

OATH OF OFFICE

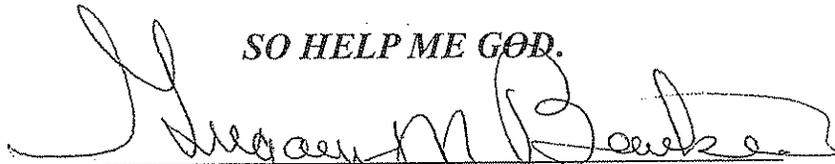
State of West Virginia
County of Mason to-wit:

I, Gregory M. Barker, do solemnly swear
that I will uphold the
Constitution of The United States of America
and the
Constitution of the State of West Virginia, and
that I will faithfully discharge the duties of the office of
Council

for the Town of Leon

to the best of my skill and judgment,

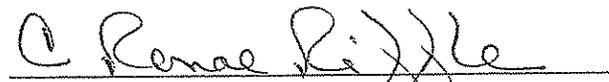
SO HELP ME GOD.



Gregory M. Barker

As elected to the office of Council for a four year term commencing the 1st day of July 2009.

Subscribed and sworn to before me, in said County and State, this the 10th day of August, 2009.

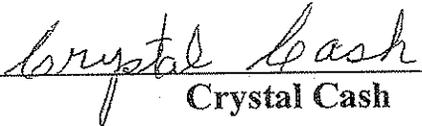


C. Renae Riffle, Recorder

OATH OF OFFICE

State of West Virginia
County of Mason to-wit:

I, Crystal Cash, do solemnly swear
that I will uphold the
Constitution of The United States of America
and the
Constitution of the State of West Virginia, and
that I will faithfully discharge the duties of the office of
Council
for the Town of Leon
to the best of my skill and judgment,
SO HELP ME GOD.



Crystal Cash

As elected to the office of Council for a four year term commencing the 1st day of July 2009.

Subscribed and sworn to before me, in said County and State, this the 13th day of July, 2009.



Cheryl Ross, Mason County Magistrate

OATH OF OFFICE

State of West Virginia
County of Mason to-wit:

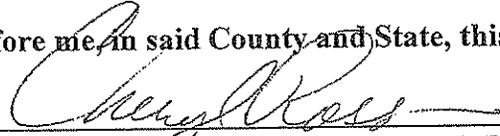
I, Terri A. Rymer, do solemnly swear
that I will uphold the
Constitution of The United States of America
and the
Constitution of the State of West Virginia, and
that I will faithfully discharge the duties of the office of
Council
for the Town of Leon
to the best of my skill and judgment,
SO HELP ME GOD.



Terri A. Rymer

As elected to the office of Council for a four year term commencing the 1st day of July 2009.

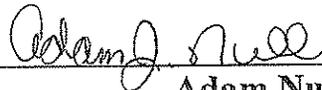
Subscribed and sworn to before me, in said County and State, this the 13th day of July, 2009.


Cheryl Ross, Mason County Magistrate

OATH OF OFFICE

State of West Virginia
County of Mason to-wit:

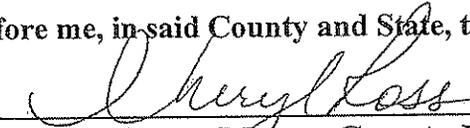
I, Adam Null, do solemnly swear
that I will uphold the
Constitution of The United States of America
and the
Constitution of the State of West Virginia, and
that I will faithfully discharge the duties of the office of
Council
for the Town of Leon
to the best of my skill and judgment,
SO HELP ME GOD.



Adam Null

As elected to the office of Council for a four year term commencing the 1st day of July 2009.

Subscribed and sworn to before me, in-said County and State, this the 13th day of July, 2009.


Cheryl Ross, Mason County Magistrate

OATH OF OFFICE

State of West Virginia
County of Mason to-wit:

I, Dawn Livingston, do solemnly swear
that I will uphold the
Constitution of The United States of America
and the
Constitution of the State of West Virginia, and
that I will faithfully discharge the duties of the office of
Council

for the Town of Leon
to the best of my skill and judgment,
SO HELP ME GOD.

Dawn Livingston
Dawn Livingston

As elected to the office of Council for a four year term commencing the 1st day of July 2009.

Subscribed and sworn to before me, in said County and State, this the 13th day of July, 2009.

C. Renae Riffle
C. Renae Riffle, Recorder, Town of Leon

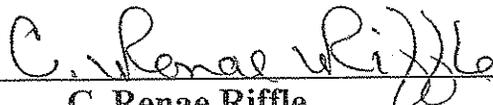
OATH OF OFFICE

State of West Virginia
County of Mason to-wit:

I, C. Renae Riffle, do solemnly swear
that I will uphold the
Constitution of The United States of America
and the
Constitution of the State of West Virginia, and
that I will faithfully discharge the duties of the office of
Recorder

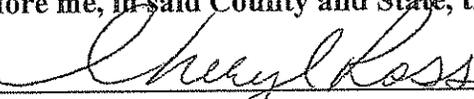
for the Town of Leon
to the best of my skill and judgment,

SO HELP ME GOD.


C. Renae Riffle

As elected to the office of Recorder for a four year term commencing the 1st day of July 2009.

Subscribed and sworn to before me, in said County and State, this the 13th day of July, 2009.


Cheryl Ross, Mason County Magistrate

OATH OF OFFICE

State of West Virginia
County of Mason to-wit:

I, M. Bruce Riffle, do solemnly swear
that I will uphold the
Constitution of The United States of America
and the
Constitution of the State of West Virginia, and
that I will faithfully discharge the duties of the office of
Mayor

for the Town of Leon
to the best of my skill and judgment,

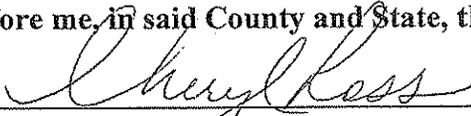
SO HELP ME GOD.



M. Bruce Riffle

As elected to the office of Mayor for a four year term commencing the 1st
day of July 2009.

Subscribed and sworn to before me, in said County and State, this the 13th
day of July, 2009.



Cheryl Ross, Mason County Magistrate

TOWN OF LEON

ORDINANCE CREATING A SANITARY BOARD
OF THE TOWN OF LEON

WHEREAS, the Town of Leon (the "Town") now contemplates the construction and equipping of a sanitary sewerage system, and future additions, extensions and improvements thereto (the "System"), pursuant to Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"); and

WHEREAS, the Act requires that a sanitary board be established in connection with the issuance of sewer revenue bonds, as aforesaid, and in connection with the custody, administration, operation and maintenance of such a sewer system by a municipal corporation;

NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE TOWN COUNCIL OF THE TOWN OF LEON AS FOLLOWS:

Section 1. The Council of the Town (the "Council") does hereby create and establish a Sanitary Board (the "Sanitary Board" or "Board"), with all powers and duties as provided in and pursuant to the Act.

Section 2. Composition; Chairman; Appointment of Members. The Sanitary Board shall be composed of the Mayor of the Town, who shall act as Chairman of the Sanitary Board, and two persons appointed by the Council. During the period of construction of the System or any additions thereto, one member must be a registered professional engineer. The engineer member of the Board need not be a resident of said municipality. After the construction of the System has been completed, the engineer may be succeeded by a person not an engineer. The appointees shall originally be appointed for terms of 2 and 3 years respectively, and upon the expiration of each such term and each succeeding term, appointment of a successor shall be made in like manner for a term of 3 years. Vacancies shall be filled for an unexpired term in the same manner as the original appointment. No officer or employee of the Town, whether holding a paid or unpaid office, shall be eligible to appointment on the Sanitary Board until at least 1 year after the expiration of the term of his public office.

Section 3. Organizational Meetings; Vice Chairman, Secretary, Treasurer; Official Bonds. As soon as may be practicable following the appointment of a new member of the Sanitary Board, the Board shall hold an organizational meeting and choose a vice chairman from among its members, and a secretary and treasurer, who may be one person and need not be a Board member, and such officers shall hold office at the will of the Board.

No bond shall be required of the Board members as such, but the treasurer, whether a member of the Board or not, shall give bond as required under Section 9 hereof.

Section 4. Compensation and Expenses of Board Members. The members of the Sanitary Board shall receive such compensation, if any, for their services, either as a salary or as payments for meetings attended, as the Council may determine, and shall be entitled to payment for their reasonable expenses incurred in the performance of their duties. Any such compensation and expenses paid solely from funds derived from the System, but there shall be no liability upon the Town for any compensation or expenses so incurred.

Section 5. Powers, Duties and Limitations.

A. The Sanitary Board shall have the supervision and control of the custody, administration, operation and maintenance of any and all works for the collection, treatment and disposal of sewage, which are now owned or may hereafter be acquired by the Town.

B. The Sanitary Board shall have power to take all steps and proceedings and to make and enter into all contracts or agreements necessary or incidental to the performance of its duties and the execution of the powers granted to such Board by the Act, as the same now exists and may hereafter be amended; but the powers of the Sanitary Board shall be subject to all restrictions and limitations contained in the Act as the same now exists or may hereafter be amended.

C. The Sanitary Board may employ engineers, architects, inspectors, superintendents, managers, collectors, attorneys and such other personnel as in its judgment may be necessary in the execution of its powers and duties, and may fix their compensation, all of whom shall do such work as the Board shall direct. All such compensation and all expenses incurred in carrying out the provisions of the Act shall be paid solely and only from funds provided under the authority of the Act, and the Board shall not exercise or carry out any authority or power given it so as to bind the Board or the Town beyond the extent to which money shall have been or may be provided under the authority of the Act. No contract or agreement with any contractor or contractors for labor and/or material exceeding the sum of \$10,000 shall be made without advertising for bids, which bids shall be publicly opened and award made to the best bidder, with power in the Board to reject any and all bids.

D. The construction, acquisition, improvement, equipment, custody, operation and maintenance of any such works for the collection, treatment or disposal of sewage and the collection of revenues therefrom for the service rendered thereby shall be under the supervision and control of the Sanitary Board.

E. After the construction, acquisition, installation and completion of such works, the Sanitary Board shall operate, manage and control the same and may order and complete any extensions, betterments and improvements of and to the works that the Board

may deem expedient if funds therefor be available or made available as provided by the Act, and shall establish rules and regulations for the use and operation of the works and of other sewers and drains connected therewith so far as they may affect the operation of such works, and to do all things necessary or expedient for the successful operation thereof, and the Board shall have in addition hereto any and all powers granted to it by the Act, or which may be granted to it by amendments to the Act, hereafter made, subject to any and all restrictions and limitations therein contained.

Section 6. Duty of Board to Restore Property Damaged by its Activities. All public ways or public works damaged or destroyed by the Sanitary Board in carrying out its authority under this ordinance and the Act shall be restored or repaired by the Board and placed in their original condition, as nearly as practicable, if requested so to do by the proper authorities, out of the funds provided by the Act.

Section 7. Publication of Financial Statement. The Sanitary Board shall prepare a financial statement and cause it to be published as a Class I legal advertisement in compliance with the provisions of Chapter 59, Article 3 of the West Virginia Code of 1931, as amended, and the publication area for such publication shall be the sanitary district. Such statement shall contain an itemized account of the receipts and expenditures of the Board during the previous fiscal year, showing the source from which all money was derived, and the name of the person to whom an order was issued, together with the amount of such order, and why such order was issued, arranging the same under distinct heads, and including all money received and expended from the sale of bonds, and also a specific statement of the debts of such Board, showing the purpose for which any debt was contracted, the amount of money in all funds at the end of the preceding year, and the amount of uncollected service charges. Such statement shall be prepared and published by the Board as soon as practicable after the close of the fiscal year. The statement shall be sworn to by the chairman and secretary and treasurer of the Board.

Section 8. Procedure for Disbursement of Funds. All funds under the supervision of the Sanitary Board shall be disbursed, as disbursements are required, by check drawn upon the proper fund or account, and such checks shall be properly signed by the authorized officer or agent of the Board. All such disbursements shall be approved by the Board.

Section 9. Fidelity Bonds. The Sanitary Board shall require all persons who collect or otherwise handle funds of the Board or the System to furnish a good and proper bond, with a recognized and reputable surety, conditioned upon the faithful performance of their duties and for the proper handling and care of said funds in their hands. Such bond shall be in an amount equal to the sum of money which might at any one time be in the hands of such person or persons.

Section 10. Effective Date. This Ordinance shall take effect immediately following the second reading hereon.

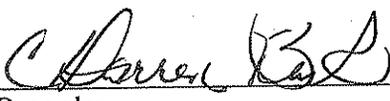
Passed on First Reading:

OCT 9, 2006

Passed on Second Reading:

Dec 10, 2006

By: 
Mayor

By: 
Recorder

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the
TOWN OF LEON on Dec 10, 2006.

Dated: Dec 10, 2006.

By: 
Recorder

09.19.06
514960.00001

TOWN OF LEON

Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

PETITION OF SANITARY BOARD

The Sanitary Board of the Town of Leon (the "Town") hereby petitions the Council of the Town to enact an ordinance directing that sewer revenue bonds of the Town be issued pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended, such bonds to be in an amount not to exceed \$3,325,000 for the purpose of financing a portion of the cost of acquisition and construction of a sewerage system for the Town, together with all necessary appurtenances, and the costs of issuance and related costs.

Dated this 7th day of October, 2009

SANITARY BOARD OF THE TOWN OF LEON

By: *M. Bruce Ruffe*
Its: Chairman

11.05.09
514960.00002

CH5150926.1

TOWN OF LEON

AN ORDINANCE SETTING FORTH THE RATES, FEES AND CHARGES FOR SERVICE TO CUSTOMERS OF THE SEWERAGE SYSTEM OF THE TOWN OF LEON.

THE COUNCIL OF THE TOWN OF LEON HEREBY ORDAINS: The following rules, rates and charges are hereby fixed, determined and established for municipal sewerage services provided to all general domestic, commercial, and industrial users and customers of the Town of Leon's Municipal Sewage Treatment Plant and Collection System, commencing upon the effective date as hereinafter provided, and in accordance with the following Rates and Schedules:

RULES AND REGULATIONS

- I. *Rules and Regulations for the Government of Sewer Utilities*, adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by said Commission.

SECTION 1 - TARIFF

(Effective Upon Substantial Completion of Sewerage System Construction Project)

SCHEDULE NO. 1

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for domestic, commercial, industrial (except unusual industrial waster) and resale sewer service.

RATES

First	3,000	gallons used per month	\$11.00 per 1,000 gallons
Second	7,000	gallons used per month	\$10.00 per 1,000 gallons
All Over	10,000	gallons used per month	\$5.50 per 1,000 gallons

MINIMUM CHARGE (Customers with a metered water supply)

Each customer shall pay a minimum charge of:
(Equivalent to 3,000 gallons of water usage) \$33.00 per month

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

Each customer shall pay a minimum charge of:
(Equivalent to 4,500 gallons of water usage) \$48.00 per month

DELAYED PAYMENT PENALTY

The above schedule is net. On all current usage billings 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.

SEWER SERVICE CONNECTION CHARGE

\$500.00

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

A tap fee of \$100.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap of \$500.00, or the *actual cost of the construction* (solely determined by the Utility), which ever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

\$25.00

A service charge of \$25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

DISCONNECT CHARGE/RECONNECTION CHARGE/ADMINISTRATIVE FEE

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge of \$25.00 have been paid.

There shall be a \$25.00 reconnection charge paid prior to restoration of water service which has been previously disconnected for any reason.

In the event that Utility staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of \$25.00 shall be paid in addition to other charges to prevent disconnection.

INCREMENTAL COSTS

\$5.00 per 1,000 gallons

An amount not to exceed \$5.00 per 1,000 gallons is to be used when a 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 usage. The Utility shall establish a nondiscriminatory policy regarding this provision for leak adjustments.

EFT, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

SCHEDULE NO. 2

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE SURFACE DRAINAGE IS
CONNECTED TO THE UTILITY'S SANITARY SEWER SYSTEM

Where the Utility has discovered that a customer's roof drain, downspouts, storm sewer, or other similar facilities conducting surface water has been connected to the Utility's sewer system, and such customer has failed to take appropriate action, within thirty (30) days of receipt of a demand by the Utility, in accordance with the rules and regulations of the Public Service Commission to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

$$S = A \times R \times .0006233 \times C$$

- S - The surcharge in dollars.
- A - The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet.
- R - The measured monthly rainfall, in inches.
- .0006233 - A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water.
- C - the Utility's approved rate per thousand gallons of metered water usage.

The Utility shall not impose the surcharge unless, and until, the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.

SCHEDULE NO. 3

SURCHARGE FORMULA TO BE APPLIED IN THE CASE OF USERS PRODUCING UNUSUAL WASTE

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$$C_i = V_o V_i + B_o B_i + S_o S_i$$

- C_i** = Charge to unusual users per year.
- V_o** = Average unit cost of transport and treatment chargeable to volume, in dollars per gallon.
- V_i** = Volume of wastewater from unusual users in gallons per year.
- B_o** = Average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per pound.
- B_i** = Weight of BOD from unusual users in pounds per year.
- S_o** = Average unit cost of treatment (including sludge treatment) chargeable to total solids in dollars per pound.
- S_i** = Weight of total solids from unusual users in pounds per year.

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made at the owner's expense. Waste containing materials which, in the judgment of the Utility, should not be introduced into the sewer system, need not be handled by it. The results of this preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefore, based upon the formula set out above.

Thereafter, unusual sewage service will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the Utility records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the Utility, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

SCHEDULE NO. 4

APPLICABLE INSIDE AND OUTSIDE OF THE LIMITS OF THE UTILITY

Where the amount of sanitary sewage discharged into the Utility's wastewater collection and/or transmission and/or treatment system by certain industrial plant or plants cannot be accurately determined by the use of the plant's water meter or meters, and said plant cannot install a flow meter to measure such waste, a special formula will be used whereby such plant or plants will pay to the Utility a sewer charge calculated at fifty (50) gallons of water per each employee at the plant each working day.

SCHEDULE NO. 5

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY OF SERVICE

Available for wastewater and leachate haulers.

RATES

Commodity Charge – Each customer shall pay a commodity charge of \$40.00 per 1,000 gallons per load. Load will be the *actual capacity* of the truck or other transport method delivering wastewater and leachate. Actual capacity and/or Commodity amounts shall be determined, or verified solely, by the Utility.

DELAYED PAYMENT PENALTY

The above schedule is net. On all current usage billings not paid 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 where it is appropriate.

RETURNED CHECK CHARGE

\$25.00

A service charge of \$25.00 will be imposed upon any customer whose check for payment for charges is returned by the bank for any reasons.

SECTION 2 – TARIFF EFFECTIVE DATE

The rates, charges and penalties provided herein for Schedule Nos. 1, 2, 3, 4 and 5 shall become effective upon the Town of Leon's Sewage Treatment Plant and Collection System becoming operational, or as soon thereafter as the same may be approved by the Public Service Commission of West Virginia.

SECTION 3 – SEVERABILITY; REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are severable, 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.

SECTION 4 – STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the Town Recorder 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 *Point Pleasant Register*, a qualified newspaper of general circulation in the Town of Leon, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council on Monday, April 6, 2009, at 7:00 p.m., which date is not less than ten (10) 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 Town Recorder, Leon, West Virginia.

First Reading: March 23, 2009

Second Reading
and Public Hearing: April 6, 2009

TOWN OF LEON, a municipal corporation

[SEAL]

Mayor:

M. Blue Hill

Recorder:

[Signature]

03.23.09
514960.00001

Point Pleasant Register

Point Pleasant

www.mydailyregister.com

ID# 550516314
39 words per inch
\$.55.00/inch

PROOF OF PUBLICATION

The State of West Virginia.

Mason County, ss:

I, Elizabeth Barnette, Advertising

Point Pleasant Register

Make solemn oath that notice, of which the attached is a true copy, was published in The Point Pleasant Register, a Newspaper printed in the City of Point Pleasant in said County of Mason, and of general circulation in said County, 2 times

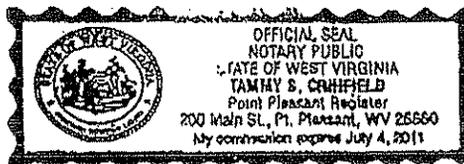
beginning on March 16, 2009 and ending April 2, 2009

Elizabeth Barnette
Point Pleasant, WV April 2, 2009

Sworn to and subscribed before me this day.

Printer fees \$ 638.75

Tammy S. Cuffield



PUBLIC NOTICE OF SEWERAGE RATES OF THE TOWN OF LEON

NOTICE is hereby given that the TOWN OF LEON has acted an ordinance on April 6, 2009 containing rates and charges for furnishing sewerage service to one hundred and sixty (160) new customers in Mason County. The proposed rates and charges to be charged to the town's new customers will become effective from the town's sewage treatment plant and collection system becoming operational, which is the subject of a certificate proceeding pending before the Public Service Commission unless otherwise ordered by the Public Service Commission and will produce approximately \$74,253 annually in revenue. The average monthly bill for the various classes of customers will be as follows:

TYPE OF CUSTOMER	% INCREASE	INCREASE
Domestic (4,500 gallons)	0%	\$48.00
N/A		
Commercial (14,500 gallons)	N/A	\$48.00
N/A		
Industrial (4,500 gallons)	N/A	\$48.00
N/A		
Resale	N/A	
N/A		

Presently, the town has no customers as its sewage treatment plant and collection system is a new system. 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 the 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

(2) Any customer who is served by the town'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 town'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 town'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 town'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 Recorder's Office at the Town Hall, Town of Leon, 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/ Darren Buck
Town Recorder
4/10/17

Point Pleasant Register
Point Pleasant www.mydailyregister.com

ID# 550516314
39 words per inch
\$5.00/inch

PROOF OF PUBLICATION

The State of West Virginia,

Mason County, ss:

I, Elizabeth Barnette, Advertising

Point Pleasant Register

Make solemn oath that notice, of which the attached is a true copy, was published in The Point Pleasant Register, a Newspaper printed in the City of Point Pleasant in said

County of Mason, and of general circulation in said

County, 2 times

beginning on April 10, 2009 and

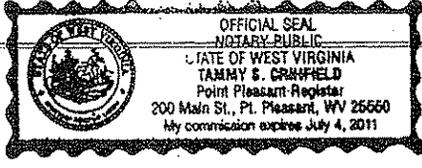
ending April 17, 2009

Elizabeth Barnette
Point Pleasant, WV April 17, 2009

Sworn to and subscribed before me this day.

Printer fees \$ 1104.00

Tammy S. Crumfield



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 town's sewerage system.

**MEETING MINUTES
OF THE
LEON TOWN COUNCIL**

A regular meeting of the Leon Town Council was held on March 23, 2009 at the Leon Town Hall.

A quorum was declared present based on the presence of the following attendees: M. Bruce Riffle, Mayor, C. Darren Buck, Recorder, Council Members Crystal Cash, Greg Barker, Mark Payne and Terri Rymer. Adam Null was not present.

The meeting was called to order by Mayor Riffle at 7:10 p.m.

The Sewer Rate Ordinance was presented and had its first reading and a motion to approve was made by Greg Barker and a second made by Crystal Cash. Motion carried.

Second reading will be April 6, 2009 at a Special Meeting.

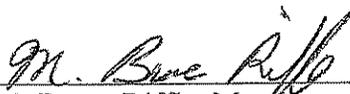
The town received a request from Region II for an increase in the Administration Budget for the Wastewater Project of \$25,000.00. The increase was due to additional time involved in the project.

A motion to approve was made by Crystal Cash and a second by Greg Barker, motion carried.

Next Meeting: March 24, 2009 7:00 pm.

Motion to Adjourn made by Greg Barker and a Second by Crystal Cash. Motion Carried

Meeting Adjourned at 7:50 pm.



M. Bruce Riffle, Mayor

*MEETING MINUTES
OF THE
LEON TOWN COUNCIL*

A public meeting of the Leon Town Council was held on April 6, 2009 at the Leon Town Hall.

A quorum was declared present based on the presence of the following attendees: M. Bruce Riffle, Mayor, Council Members Crystal Cash, Greg Barker, Mark Payne, Terri Rymer and Adam Null. Recorder C. Darren Buck was not present. Guests were Fred Hypes with Dunn Engineers, Inc. and Michael Griffiths CPA. None of the residents of Leon were present.

The meeting was called to order by Mayor Riffle at 7:10 p.m.

Purpose of this meeting is the Second reading of the Sewer Rate Ordinance. No comments or questions were noted from the public and legal notice being made in the Point Pleasant Register, a motion was made by Crystal Cash to approve the ordinance as read. A second was made by Greg Barker. Motion carried.

A motion for adjournment was made by Crystal Cash with a second by Adam Null. Motion carried and meeting ended at 7:45 p.m.



M. Bruce Riffle, Mayor

Stephane Johnson
PO Box 1588

Hill
Charleston WV
25326-1588

Hill
Brandy
Cane

NOTICE OF PUBLIC HEARING ON THE

TOWN OF LEON BOND ORDINANCE

A public hearing will be held on the following entitled Ordinance at a regular meeting of the Council of the Town of Leon (the "Town") to be held on Monday, September 14, 2009, at 7:00 p.m. at the Town Hall, Leon, West Virginia, and at such hearing any person interested may appear before the Town and present protests, and all protests and suggestions shall be heard by the Town and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

TOWN OF LEON ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF A PUBLIC SEWERAGE SYSTEM OF THE TOWN OF LEON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$3,325,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA); 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 AN ARRA ASSISTANCE 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 Town contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used to (i) to pay a portion of the costs of the acquisition and construction of a public sewerage system of the issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series and related costs.

The Bonds are payable solely from revenues to be derived from the ownership and operation of the system of the Town. No taxes may at any time be levied for the payment of the Bonds or the interest thereon. The above entitled Ordinance was adopted by the Council of the Town of Leon on August 10, 2009. A certified copy of the above entitled Ordinance is on file with the Town for review by interested parties during regular office hours. Following the public hearing, the Town intends to enact the Ordinance upon final reading. Bruce Riddle Mayor 9/1, 8

Point Pleasant Register

Point Pleasant

www.mydailyregister.com

ID# 550516314
39 words per inch
\$5.00/inch

PROOF OF PUBLICATION

The State of West Virginia,

Mason County, ss:

I, Elizabeth Barnette, Advertising

Point Pleasant Register

Make solemn oath that notice, of which the attached is a true copy, was published in The Point Pleasant Register, a Newspaper printed in the City of Point Pleasant in said County of Mason, and of general circulation in said

County, 2 times

beginning on Sept 4, 2009 and

ending Sept 8, 2009

Elizabeth Barnette
Point Pleasant, WV Sept 8, 2009

Sworn to and subscribed before me this day.

Printer fees \$ 122.50

Jammy S. Crickfield

TOWN OF LEON

Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Fund/ARRA)

EXCERPT OF MINUTES ON ADOPTION OF
SUPPLEMENTAL RESOLUTION AND DRAW RESOLUTION

The undersigned RECORDER of the Town of Leon hereby certifies that the following is a true and correct excerpt of the minutes of a special meeting of the said Town Council:

The Town Council of the Town of Leon met in regular session, pursuant to notice duly posted, on the 9th day of November, 2009, in Mason County, West Virginia, at the hour of 7:00 p.m.

PRESENT:	M. Bruce Riffle	-	Mayor
	C. Renae Riffle	-	Recorder
	Terri A. Rymer	-	Councilmember
	Crystal Cash	-	Councilmember
	Gregory M. Barker	-	Councilmember
ABSENT:	Dawn Livingston	-	Councilmember
	Adam Null	-	Councilmember

M. Bruce Riffle, Mayor, presided, and C. Renae Riffle, acted as Recorder. 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 Authorizing Resolution. Thereupon, on motion duly made by Greg Barker and seconded by Terri Rymer, it was unanimously ordered that the said Resolution be authorized.

Next, the Mayor presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO
PRINCIPAL AMOUNT, DATE, MATURITY DATE,
REDEMPTION PROVISION, INTEREST RATE, INTEREST
AND PRINCIPAL PAYMENT DATES, SALE PRICE AND

OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA), OF THE TOWN OF LEON; APPROVING A CONFORMED ORDINANCE; APPROVING AND RATIFYING THE ARRA ASSISTANCE 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 Greg Barker and seconded by Crystal Cash, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Mayor presented a proposed Draw Resolution for the approval of invoices. Thereupon, on motion duly made by Greg Barker and seconded by Crystal Cash, it was unanimously ordered that the said Draw Resolution be adopted.

Next, the Mayor requested the previously approved Sewer Billing Agreement and the Water Termination Agreement be ratified. Thereupon, on motion duly made by Crystal Cash and seconded by Terri Rymer the Agreements were adopted and ratified.

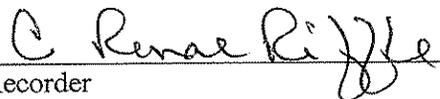
There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

[Remainder of Page Intentionally Blank]

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of the Town of Leon 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 20th day of November, 2009.


Recorder

11.05.09
514960.00002

*MEETING MINUTES
OF THE
LEON TOWN COUNCIL*

A regular meeting of the Leon Town Council was held on July 13, 2009 at the Leon Town Hall.

Cheryl Ross, Mason County Magistrate, presented the Oath of Office to each newly elected individual.

A quorum was declared present based on the presence of the following attendees: M. Bruce Riffle, Mayor, Renae Riffle, Recorder, Council Members Crystal Cash, Terri Rymer, and Adam Null. Also present were Leon residents Jim Dixon, Dawn Livingston, and Jim Cash. Kathy Elliott and Fred Hypes were in attendance representing Region II and Dunn Engineering respectively.

The meeting was called to order by Mayor Riffle at 6:54 p.m.

The minutes from the June meeting had not been presented to council by former Recorder Darren Buck, thus approval of minutes will be held until the August meeting.

Recorder Riffle presented financial information to council stating the balances on all bank accounts as of the June 30, 2009 statements. Prior bank account information had not been turned over to council by former Recorder Darren Buck. Recorder Riffle reported that many attempts to contact Darren Buck to return all documentation related to the town have gone unanswered. There has been no return contact received from Darren as of this council meeting.

Mayor Riffle discussed the issue of the open council seat that was not filled at the time of elections. A nomination for Dawn Livingston was made by Crystal Cash. A nomination for Joe Frank was made by Terri Rymer. Crystal Cash made a motion to close nominations. A second was made by Adam Null. Motion carried. Mayor Riffle called for a vote by council for the nominees. Dawn Livingston received two votes and Joe Frank received one vote. By a majority vote Dawn Livingston was approved to fill the council seat. Dawn Livingston accepted and Recorder Riffle administered the Oath of Office.

As requested prior to the call to order, Terri Rymer was excused from the meeting due to personal obligations. There still being a quorum the meeting continued uninterrupted.

An update for the sewer system was presented by Kathy Elliot of Region II and Fred Hypes of Dunn Engineering. Approval of the facility plans has been received and authorization to advertise for bid should be received by next week. The complaint issued by Matthew Keefer has been withdrawn and the situation has been resolved. The advertisement for bid will be posted in the Charleston Gazette and Contractors Association will post on their website. A pre-bid meeting will be scheduled at the town hall for instructions to contractors as well as a preview of the property. Dunn Engineering will have crews in the area marking and staking sites. There are still two easements that need to be acquired. Plans and funding have been expanded for the project.

A listing of invoices totaling the amount of \$1,539.48 was submitted for approval of payment by council. A motion was made by Crystal Cash with a second by Dawn Livingston. Motion carried.

Recorder Riffle discussed the issue of paying the monthly overhead expenses as they are received instead of holding until the next council meeting for approval. A listing of checks written will be presented to council at following meetings. Invoices related to other matters would be presented to council for approval prior to payment. Motion made by Crystal Cash, second by Adam Null. Motion carried.

Recorder Riffle suggested that all items previously set up for payment by electronic funds transfer by Darren Buck are discontinued and checks be written for payments in the future to create a better paper trail. Motion made by Dawn Livingston, second by Crystal Cash. Motion carried.

Mayor Riffle gave an update on the following items;

He stated that as of his last contact with AEP they have lost the order stating the information for town streetlight installation. He will be resending the information to their office for the third time.

Signs for the town corporation limits have been installed by the highway department at the appropriate sites and speed limit signs have been posted in various sites within the town limits. There are two more speed limit signs to be installed. The town will be purchasing "Slow, Children Playing" signs to be posted near the park.

The purchase of the property adjacent to the town hall and next to the Baptist Church will be completed in the next few weeks. Attorney Tatterson is handling the transaction.

The NIMS materials have been ordered and the area will be canvassed for interested individuals to attend classes for certification. Obtaining NIMS compliance can result in Homeland Security funding being accessible to the town.

A bid has been received for the repair of the road located in the Leon Cemetery. The bid seemed to be high in his opinion and he will be reviewing and getting advice for other options.

New triple-pane insulated windows had been installed in the town hall. This will result in a 20 - 25% cost savings in heating and cooling.

A suggestion for placement of a memorial to local veterans was tabled until next months meeting so that further information could be obtained.

A meeting of the ADA Compliance Committee needs to be scheduled to review the report and suggestions made by the state.

There are inquiries being made into programs that might entice current providers of internet broadband to come into the Leon area.

Security and traffic cameras are being researched for possible needs within the town. There may be grant monies available for these types of projects.

A Rules of Procedure Ordinance was presented to council for adoption. Motion was made by Adam Null with a second by Crystal Cash. Motion carried.

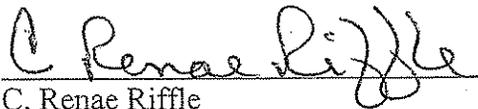
A Sanitary Board Ordinance was presented stating that there needs to be a board established to oversee the proposed sewer system. Members of the board would consist of the Mayor, an engineer and one resident of the Leon area. A motion was made by Crystal Cash to establish said board with a second by Adam Null. Motion carried. Mayor Riffle asked council to think about possible candidates to fill the third position on the Sanitary Board. Position can not be filled by an active council member.

A Bond Ordinance was presented to council for the first reading. A motion was made by Crystal Cash to accept ordinance as read with a second by Adam Null. Motion carried. The second reading of the Bond Ordinance is scheduled for August 10, 2009.

A report was presented by Renae Riffle, Events Coordinator, for the upcoming Leon Homecoming 2009. The budget for the event was previously approved in the amount of \$800.00. Renae requested that the fixed expenses, such as the tent, Jupiter Jump and helium for balloons be deducted by their costs and the balance be given to her by check so that she may obtain the other necessary items, such as food, paper products, gift prizes, etc. Motion was made by Crystal Cash and a second by Dawn Livingston. Motion carried.

A motion to adjourn was made by Adam Null with a second by Dawn Livingston. Motion carried. Meeting adjourned at 8:15 p.m.

Next meeting is to be held, Monday, August 10, 2009 at 7:00 p.m.



C. Renae Riffle
Recorder



M. Bruce Riffle
Mayor

*MEETING MINUTES
OF THE
LEON TOWN COUNCIL*

A regular meeting of the Leon Town Council was held on August 10, 2009 at the Leon Town Hall.

Prior to the meeting Recorder Riffle administered the Oath of Office to elected Council Member Greg Barker.

A quorum was declared present based on the presence of the following attendees: M. Bruce Riffle, Mayor, Renae Riffle, Recorder, Council Members Crystal Cash, Greg Barker and Dawn Livingston. Also present were Leon residents Ken Livingston, Carl and Ruby Morrison.

The meeting was called to order by Mayor Riffle at 7:05 p.m.

The minutes from the August meeting were approved as presented. The minutes of the June meeting still have not been presented to council by former Recorder Darren Buck, thus approval of the June meeting minutes will be held until the September meeting.

Recorder Riffle presented the financial report which consisted of a listing of all transactions since the last meeting plus a budget detail analysis. Council will receive updated financial information at each consecutive meeting. The results of the Leon Homecoming 2009 were that the event came in \$248.54 under the designated \$800.00 budget. Recorder Riffle requested that payment to the mayor, recorder and council members be changed from an annual payment to a quarterly basis. She explained that in the future this would alleviate duplicate payments at the end of the year where there might have been a change in council members during the year. Motion was made by Crystal Cash and a second by Greg Barker. Motion carried. A motion was made to accept the Recorder's Report by Crystal Cash and a second by Dawn Livingston. Motion carried.

There was a request by Mayor Riffle to suspend regular business for the annual Leon Cemetery Committee report by Carl Morrison, Chairman. Motion was made by Crystal Cash and a second by Greg Barker. Motion carried.

Mr. Morrison presented council with an overview of the financial transactions of the Cemetery Committee for the prior year. Mr. Morrison read the report and offered explanations on some items. Mayor Riffle requested a copy of the last bank statement and a copy of the last statement of the CD account for back up documentation to the report. Mr. Morrison agreed to forward those documents to council as soon as possible. Mayor Riffle requested that the acceptance of the Leon Cemetery Committee report be tabled until said statements have been reviewed by council at the September meeting. A motion was made by Greg Barker and a second by Crystal Cash. Motion carried and council returned to regular business.

Mayor Riffle gave an update on the progress of the proposed sewer system. He stated that the advertisement for bids appeared in the Charleston Gazette on August 4th. There have been several bid packages picked up by contractors planning to prepare for bid. A pre-bid

meeting is scheduled for Tuesday, August 18th at 10:00 a.m. at the Leon Town Hall. The bid opening is scheduled for September 3rd at 1:00 p.m. also at the town hall.

There was a right-of-way issue involving the property owned by Thelma Rollins located on Aylor Street. The plans called for a 150' x 10' easement across the property. The resident had objections to the easement. Mayor Riffle and Fred Hypes, of Dunn Engineering, met with the resident's sons, Marvin and Keith Rollins to review the plan drawings and discuss alternative placement of the sewer line. All parties agreed to a revision of line placement that would be beneficial for all concerned. Mayor Riffle made a preliminary offer of \$1,000.00 to purchase the easement needed pending council approval and residents agreed. A motion was made by Greg Barker to act upon the purchase of the easement for \$1,000.00 stating that this option would be a greatly reduced monetary outlay if condemnation action would have become necessary. A second was given by Crystal Cash. Motion carried.

Drawdown #17 was received from Region II in the amount of \$5,544.08. The invoice is for work performed by Dunn Engineering relating to the revision of plans due to the placement of the proposed new bridge connecting to the Brownsville area and for Region II administration fees. The breakdown of the invoice is \$3,770.00 to Dunn Engineering and \$1,774.00 to Region II. A motion was made by Greg Barker with a second by Crystal Cash. Motion carried.

Mayor Riffle explained that a bond is required by the Department of Highways for the sewer lines to cross Rt. 62. The bond amount is \$50,000.00 with the application cost for the town of \$500.00. A motion was made by Dawn Livingston to proceed with a second by Crystal Cash. Motion carried.

Mayor Riffle presented an invoice for Shaw & Tatterson in the amount of \$395.00 relating to the purchase of the Perdue property. A motion was made by Dawn Livingston to approve and pay stated invoice with a second by Greg Barker. Motion carried.

Council held the second reading of the Sanitary Board Ordinance. A motion was made by Crystal Cash to accept with a second by Greg Barker. Motion carried.

Mayor Riffle gave an update on the following items;

Council was asked to offer suggestions for the open seat on the Sanitary Board. After there is a selection of a board member there will be a meeting scheduled in the next couple of weeks and then regular meetings will not begin until 2010, upon completion of project.

Upon follow up with AEP, Mayor Riffle was advised by AEP that they had lost the letter requesting street light installation and their internal office work order. They have requested that a letter be reissued.

Closing for the purchase of the Perdue property adjacent to the town hall should be finalized by next week.

Individuals interested in completing the NIMS program are to contact Mayor Riffle for information. The first three sections of the training are on-line programs and the last

section is in-class training which will be held at the town hall. It is a requirement of the NIMS program that three members of council participate in the training.

Mayor Riffle stated that the estimate that he received for the repair to the road located in the Leon Cemetery was unacceptably high and he is still working on getting additional quotes.

The topic of the memorial for area veterans has been tabled until the September meeting so as to gather ideas and information for the project.

A meeting of the ADA compliance committee still needs to be scheduled.

Region II has appointed Mayor Riffle as Technology Committee Chairman to investigate and implement plans for broadband internet service in rural areas of Region II.

A representative of Redflex will be in the area later this month to meet with Mayor Riffle to offer recommendations related to security camera coverage in our area.

New Business;

Bill Bailey Insurance submitted renewal documentation that needs to be completed and returned for continuance for liability insurance with their agency. A motion was made by Greg Barker to proceed with a second by Crystal Cash. Motion carried.

Griffith & Associates submitted a contract amendment for the additional work required on their part due to plan changes in the wastewater sewer system. A motion was made by Crystal Cash to approve and a second was made by Greg Barker. Motion carried.

Mayor Riffle presented the need to upgrade the computer system located at the town hall office. He recommended that a laptop computer be purchased. A motion was made by Greg Barker for the purchase with a second by Crystal Cash. Motion carried.

Committee Reports;

The report for the events committee was included in the recorder's report earlier in the meeting.

Ruby Morrison asked to speak to council. Mrs. Morrison presented information that she had received regarding how to distinguish suspicious or unfavorable behavior in your community. Mrs. Morrison thought it would be good information to share with our residents in the area with recommendations as to how to deal when observing this type of activity.

Next council meeting is scheduled for Monday, September 14, 2009 at 7:00 p.m. at the Leon Town Hall.

A motion to adjourn was made by Dawn Livingston with a second by Crystal Cash. Meeting adjourned at 8:35 p.m.

C. Renae Riffle

C. Renae Riffle
Recorder

M. Bruce Riffle

M. Bruce Riffle
Mayor

*MEETING MINUTES
OF THE
LEON TOWN COUNCIL*

A regular meeting of the Leon Town Council was held on September 14, 2009 at the Leon Town Hall.

A quorum was declared present based on the presence of the following attendees: M. Bruce Riffle, Mayor, Renae Riffle, Recorder, Council Members Crystal Cash, Greg Barker, Dawn Livingston, Terri Rymer and Adam Null. Also present were Leon residents; Rachel Payne, Stephanie Moore, Jim Cash. Guests were Fred Hypes with Dunn Engineers, Inc.

The meeting was called to order by Mayor Riffle at 7:04 p.m.

There was a request by Mayor Riffle to suspend regular business for a sewer project update by Fred Hypes. Motion made by Terri Rymer with a second by Greg Barker. Motion carried.

Fred Hypes stated that there was an excellent turnout for the bid opening for the wastewater sewer project. A total of nine contractors bid on the project. The project will be awarded to Fields Excavating with the lowest bid of 2.6 million dollars. Dunn Engineering followed up the bid opening with a letter and a phone call to Fields Excavating and received a confirmation verifying their bid amount. Formal contract closing should be mid-October with groundbreaking sometime in November. Project is expected to take approximately 12 months to complete.

Signatures were required for Drawdown #17 and Drawdown #18 was submitted to council in the amount of \$15,000.00 for Dunn Engineering. A motion was made by Crystal Cash to approve Drawdown #18 with a second from Greg Barker. Motion carried.

The deed for the lot located next to the Leon Baptist Church has been signed by all parties and recorded.

Dunn Engineering will continue to attend monthly council meetings to provide updates on the on-going project. Sewer Board will also meet on a monthly basis.

Upon completion of sewer project update council returned to regular business.

Minutes for the meeting of August 10, 2009 were approved by council with a motion by Greg Barker and a second by Dawn Livingston. Motion carried.

The financial report was presented by Renae Riffle in which she stated that all repetitive invoices have been paid. She presented a list of invoices that needed council approval. A motion was made to pay the invoices by Crystal Cash with a second by Greg Barker. Motion carried. A motion was made to accept the financial report as presented by Crystal Cash with a second by Greg Barker. Motion carried.

The third and final reading of the Sanitary Bond Ordinance was approved by council with a motion made by Greg Barker and a second by Adam Null.

The open seat on the Sanitary Board is to be filled by Leon resident Chris Sayre.

Mayor Riffle is still dealing with AEP in regards to the placement of the street lights.

The deed for the lot located next to the Town Hall has been signed by all parties and recorded.

NIMS compliance program information will be received by the end of the week. Participates are to include Terri Rymer and Adam Null, fulfilling the requirement that two council members obtain training. Other participates will be Mayor Riffle, Renae Riffle and Greg Barker. Participation in the NIMS program is open to the public.

Mayor Riffle requested that the subjects of the cemetery road repair and a veteran's memorial be tabled until the October meeting. Council agreed.

A meeting of the ADA Compliance Committee was scheduled for Friday, September 18, 2009 at 5:30 p.m. Committee members are Terri Rymer, Adam Null and Mayor Riffle.

Mayor Riffle advised council that broadband internet will be established at the Leon Elementary School. He is investigating the possibility of having resident access to the same system when this is put in place.

Discussion of the radar speed and stop sign cameras led to the understanding that it is not something that the town would be interested in pursuing at this time due to the costs involved.

A representative of the Leon Cemetery Committee did not appear at the council meeting to present the required documentation as requested by council at the August meeting.

Mayor Riffle entertained the question to council that council participates in reciting the Pledge of Allegiance and an invocation prior to the call to order of all town council meetings. A motion was made by Crystal Cash with a second by Adam Null. Motion carried.

The West Virginia Broadband Summit is to be held September 28, 2009. The cost of registration is \$75.00 per participant. A motion was made by Dawn Livingston that Mayor Riffle and Councilman Barker represent the Town of Leon and instructed the recorder to pay both registration fees. A second was made by Crystal Cash. Motion carried.

Committee Reports;

Events Committee:

Renae Riffle asked the advice of council members as to what they would like to do for Halloween in the community. Council stated that they would like to plan according to other community's events and subject would be discussed at the October council meeting. Renae also asked council for ideas related to the Christmas season stating that the last two years of "Pictures with Santa" has produced a very low turnout. This subject is also to be discussed at the October meeting.

Rachel Payne and Stephanie Moore addressed council to advise that the Annual Scholarship Dinner will be held on November 14, 2009 from 4:00 p.m. to 6:00 p.m. at the Leon Elementary School. Cost of dinner is \$5.00. They invited Mayor Riffle to attend as one of the speakers for the event.

Next council meeting is scheduled for Monday, October 13, 2009 at 7:00 p.m. at the Leon Town Hall.

A motion to adjourn was made by Greg Barker with a second by Adam Null. Meeting adjourned at 8:13 p.m.



C. Renae Riffle
Recorder



M. Bruce Riffle
Mayor

Town of Leon
Balance Sheet
As of October 13, 2009

Oct 13, 09

ASSETS	
Current Assets	
Checking/Savings	
COAL SEVERANCE TAX	2,740.44
COMMERCIAL SAVINGS	7,328.11
SMALL BUSINESS CHECKING	8,213.55
Total Checking/Savings	18,282.10
Other Current Assets	
CERTIFICATE OF DEPOSIT - 2649	7,035.11
CERTIFICATE OF DEPOSIT - 5889	12,039.02
Total Other Current Assets	19,074.13
Total Current Assets	37,356.23
TOTAL ASSETS	<u>37,356.23</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
LINE OF CREDIT - 7104	10,400.00
Total Other Current Liabilities	10,400.00
Total Current Liabilities	10,400.00
Total Liabilities	10,400.00
TOTAL LIABILITIES & EQUITY	<u>10,400.00</u>

4:42 PM

10/13/09

Town of Leon
Transaction List by Date
 August 9 through October 13, 2009

Type	Date	Num	Name	Memo	Amount
Aug 9 - Oct 13, 09					
Check	8/10/2009	1022	Appalachian Power	Street Lights	125.41
Check	8/10/2009	1023	Mason County PSD	Water	44.09
Check	8/10/2009	1024	Greg Barker	Homecoming 2009	45.85
Check	8/11/2009	1025	Wal-Mart	Laptop computer and case	794.09
Check	8/12/2009	1026	Staples	Microsoft Office software and supplies	548.98
Check	8/18/2009	1027	Billy Barton	Inv 322656	120.00
Check	8/18/2009	1028	Shaw & Tatterson	Perdue property Lot #15	395.00
Check	8/18/2009	1029	AT & T Mobility	838438467	96.97
Check	8/18/2009	1029	AT & T Mobility	838438467	70.97
Check	9/4/2009	1030	Robin & John Perdue	Perdue TM# 1 Parcel 43	6,500.00
Check	9/7/2009	1031	Appalachian Power		34.87
Check	9/7/2009	1032	Appalachian Power	Street lights	125.45
Check	9/11/2009	1033	Thelma Rollins	Right-of-Way Sewer Project	1,000.00
Check	9/14/2009	1034	AT & T Mobility	838438467	96.37
Check	9/14/2009	1034	AT & T Mobility	838438467	70.97
Check	9/11/2009	EFT	City National Bank - Credit Line	LOAN 5187104	13.43
Check	9/14/2009	1035	M Bruce Riffle	Compensation - Mayor 1st Qtr FY 2010	300.00
Check	9/14/2009	1036	C Renae Riffle	Compensation - Recorder 1st Qtr FY 2010	150.00
Check	9/14/2009	1037	Crystal Cash	Compensation - Council 1st Qtr FY 2010	37.50
Check	9/14/2009	1039	Dawn Livingston	Compensation - Council 1st Qtr FY 2010	37.50
Check	9/14/2009	1040	Greg Barker	Compensation - Council 1st Qtr FY 2010	37.50
Check	9/14/2009	1038	Terri Rymmer	Compensation - Council 1st Qtr FY 2010	37.50
Check	9/14/2009	1041	Adam Null	Compensation - Council 1st Qtr FY 2010	37.50
Check	9/14/2009	1042	DEP - Div of Water & Waste M...	Permits - Wastewater project	550.00
Check	9/14/2009	1043	Shaw & Tatterson	Deed recording - Perdue	144.60
Check	9/14/2009	1044	Charleston Newspapers	Bids - Wastewater project	617.40
Check	9/14/2009	1045	Voided Check		0.00
Check	9/14/2009	1046	M Bruce Riffle	Reimbursements	373.70
Check	9/14/2009	1046	M Bruce Riffle	Reimbursements	15.12
Check	9/14/2009	1046	M Bruce Riffle	Dun & Bradstreet	104.95
Check	9/24/2009	1047	M Bruce Riffle	Broadband Internet Summit - Riffle, Barker	150.00
Check	10/11/2009	1048	City National Bank - Credit Line	LOAN 5187104	41.17
Check	10/5/2009	EFT	Verizon	00091908285595Y	51.29
Check	10/11/2009	1049	Mason County PSD	85008561	40.08
Check	10/11/2009	1050	Appalachian Power		33.17
Check	10/11/2009	1051	Appalachian Power	Street lights	125.49
Check	10/11/2009	1052	Billy Barton		120.00
Check	9/2/2009	EFT	Verizon	00091908285595Y	54.54
Deposit	8/10/2009	6120	Mason County Sheriff	Collected 07/09	-180.80
Deposit	8/10/2009	6120	Mason County Sheriff	Fund: 58.05 Int: 24.90 Period 07/09	-82.95
Deposit	8/10/2009	6120	Mason County Sheriff	Fund: 510.46 Disc: 12.75 Collected 07/09	-497.71
Deposit	8/10/2009	6120	Mason County Sheriff	Assessor Valuation Period 07/09	15.52
Deposit	8/19/2009	13381	Mason County PSD	07/09, 08/09	-216.56
Deposit	9/8/2009		Frank Family	Town Hall Rental	-30.00
Deposit	9/8/2009	3000135117	Appalachian Power - Dist	Period 07/09	-125.53
Deposit	9/8/2009	8009690	Verizon West Virginia	Period 07/09	-20.71
Deposit	9/8/2009	10170	CityNet	Period 12/08	-25.50
Deposit	9/8/2009	9010	CityNet	Period 09/08, 12/08, 03/09, 06/09	-102.00
Deposit	9/8/2009	1007331760	State of WV - Auditor	Period 07/02/09 - 08/04/09	-52.33
Deposit	9/15/2009	6173	Mason County Sheriff	Period 08/09	-1,575.80
Deposit	9/15/2009		Beaver Family	Town Hall Rental 2009 & 2010	-60.00
Deposit	9/28/2009	13507	Mason County PSD	Period 09/09	-65.00
Deposit	9/28/2009		Deweese Family	Town Hall Rental	-30.00
Deposit	10/13/2009	300136382	Appalachian Power - Dist	Period 08/09	-113.87
Deposit	10/13/2009	1007480807	State of WV - Auditor	Period 09/09	-413.82
Deposit	10/13/2009	1007421582	State of WV - Auditor	Period 08/05/09 - 09/03/09	-1,272.95
Deposit	10/13/2009	8010174	Verizon West Virginia	Period 08/09	-21.53
Deposit	10/13/2009		Smith Family - Tonya	Town Hall Rental	-30.00
Deposit	8/17/2009		WV Treasury	Deposit	-973.07
Deposit	8/26/2009		WV Treasury	Deposit	-90.67
Deposit	9/16/2009		WV Treasury	Deposit	-898.39
Deposit	9/28/2009		WV Treasury	Deposit	-84.74
Transfer	8/25/2009			Funds Transfer	6,500.00

Aug 9 - Oct 13, 09

WV MUNICIPAL BOND COMMISSION

1207 Quarrier Street
Suite 401
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 11/20/2009

(See Reverse for Instructions)

ISSUE: Town of Leon
Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA)

ADDRESS: 136 Main Street, Leon, WV 25123 COUNTY: Mason

PURPOSE OF ISSUE:

New Money: X
Refunding: _____

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 11/20/2009

CLOSING DATE: 11/20/2009

ISSUE AMOUNT: \$1,097,917

RATE: 0%; Administrative Fee 0%

1ST DEBT SERVICE DUE: 100% forgivable

1ST PRINCIPAL DUE 100% forgivable

1ST DEBT SERVICE AMOUNT 100% forgivable

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: Sammie Gee, Esquire
Phone: (304) 340-1318

CLOSING BANK:

Bank: City National Bank
Contact: Kim Reynolds
Phone: 304.674.1009

ESCROW TRUSTEE:

Firm: _____
Contact: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT

Contact: Bruce Riffle
Position: Mayor
Phone: 304.458.2030

OTHER:

Agency: W.V. Department of Environmental Protection
Contact: Rosalie Brodersen
Position: Program Manager
Phone: (304) 926.0499 (ext. 1608)

DEPOSITS TO MBC AT CLOSE

By: _____ Wire _____
_____ Check _____
Accrued Interest: \$ _____
Capitalized Interest: \$ _____
Reserve Account: \$ _____
Other: \$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE

By: _____ Wire _____
_____ Check _____
_____ IGT _____
To Escrow Trustee \$ _____
To Issuer \$ _____
To Cons. Invest. Fund \$ _____
To Other: _____ \$ _____

NOTES: The Series 2009 B Bonds are 100% forgivable. The Series 2009 B Bonds Reserve Account will not be funded.

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: _____
TRANSFERS REQUIRED: _____

TOWN OF LEON

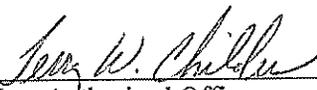
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

City National Bank, Point Pleasant, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of the Town of Leon (the "Issuer") enacted by the Issuer on September 14, 2009, and a Supplemental Resolution adopted by the Issuer on November 9, 2009 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), dated November 20, 2009, issued in the original aggregate principal amount of \$1,097,917 (the "Bonds"), and agrees to serve as Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 20th day of November, 2009.

CITY NATIONAL BANK

By: 
Its: Authorized Officer

11.05.09
514960.00002

CH5150867.1

TOWN OF LEON

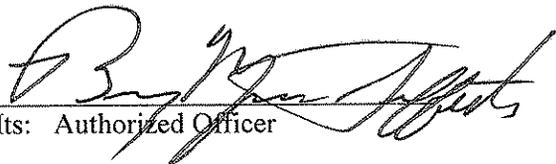
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

ACCEPTANCE OF DUTIES AS REGISTRAR

The Huntington National Bank, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Town of Leon Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), dated November 20, 2009, in the aggregate principal amount of \$1,097,917 (the "Series 2009 B Bonds"), and agrees to perform all duties of Registrar in connection with the Series 2009 B Bonds, all as set forth in the Bond Legislation authorizing issuance of the Series 2009 B Bonds.

WITNESS my signature on this 20th day of November, 2009.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

10.28.09
514960.00002

TOWN OF LEON

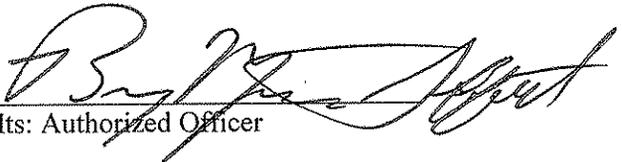
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

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 Town of Leon (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), of the Issuer, dated November 20, 2009, in the principal amount of \$1,097,917, numbered BR-1, was registered as to principal only 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 20th day of November, 2009.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

11.04.09
514960.00002

TOWN OF LEON

Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 20th day of November, 2009, by and between the Town of Leon, a 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 \$1,097,917 Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), in fully registered form (the "Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted September 14, 2009, and a Supplemental Resolution of the Issuer duly adopted November 9, 2009 (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 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 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 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: Town of Leon
136 Main Street
Leon, West Virginia 25123
Attention: Mayor

REGISTRAR: The Huntington National Bank
One Huntington Square
Charleston, West Virginia 25301
Attention: Corporate Trust Department

8. 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

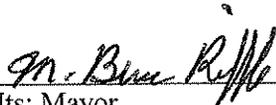
requirements of 40 CFR part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the Registrar to carry out these requirements is a material breach of this Agreement which may result in the termination of this Agreement or other legal available remedies.

9. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

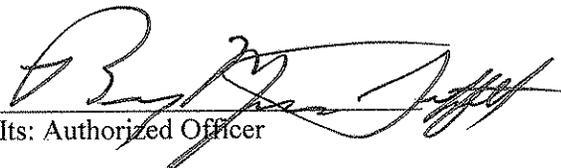
[Remainder of Page Intentionally Left Blank]

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.

TOWN OF LEON

By: 
Its: Mayor

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

10.28.09
514960.00002

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 November 20, 2009

Town of Leon
Account Number 6089001809

Town of Leon
Sewer Revenue Bonds, Series 2009 B
C/o John C. Stump
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

FEE CALCULATION FOR November, 2009

TOTAL AMOUNT	\$	500.00
TOTAL DUE	\$	<u>500.00</u>

- * FEE INVOICES ARE PAYABLE WITHIN 30 DAYS. IF PAYMENT *
- * IS NOT RECEIVED, FEES WILL BE DEDUCTED FROM THE PLAN *
- * .. MAIL CHECK TO: HUNTINGTON NATIONAL BANK, ATTN: BARRY. . *
- * .. GRIFFITH, 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

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

CAPITOL AND WASHINGTON STREETS 1 DAVIS SQUARE, SUITE 200 CHARLESTON, WV 25301
TELEPHONE 304-558-2981

PERMIT

PROJECT: (Sewage)
Town of Leon

PERMIT NO.: 18,009

LOCATION: Town of Leon

COUNTY: Mason

DATE: 6-17-2008

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

Town of Leon
P. O. Drawer 136
Leon, West Virginia 25123

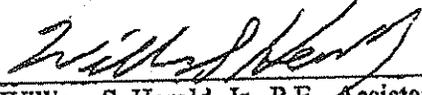
is hereby granted approval to: install approximately 12,775 LF of 8" and 5,335 LF of 6" sewer line; necessary manholes and cleanouts; sixteen (16) simplex grinder sewage pump stations; four (4) duplex sewage pump stations; approximately 6,905 LF of 1.5"; 2,805 LF of 2"; and 1,555 LF of 4" force main; and all necessary valves, controls and appurtenances. Also, to install a 30,000 GPD packaged extended aeration sewage treatment plant with a 10,000 gallon flow equalization tank with triplex pumps, aerated sludge holding, odor control, ultraviolet disinfection, post aeration and piping of effluent discharge to Thirteen Mile Creek. Sewage treatment facilities shall be enclosed by a minimum six (6) feet high fence with a locking gate.

Facilities are to serve approximately 182 customers in the Town of Leon.

The Environmental Engineering Division of the OEHS-St. Albans District Office, telephone (304) 722-0611, is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR


William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

WSH:bms

pc: Dunn Engineers, Inc.
Katheryn Emery, P.E., DEP
James W. Ellars, P.E.
Amy Swann, PSC
Mason County Health Department
OEHS-EED St. Albans District Office



west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street SE
Charleston, West Virginia 25304-2345
Phone: 304-926-0495
Fax: 304-926-0496

Joe Manchin III, Governor
Randy C. Huffman, Cabinet Secretary
www.wvdep.org

July 06, 2009

HONORABLE ROGER STOVER
LEON, TOWN OF
PO DRAWER 136
LEON, WV 25123

CERTIFIED RETURN RECEIPT REQUESTED

Re: WV/NPDES Permit No. WV0103110
General Permit Registration No. WVG551434
Town of Leon Wastewater Treatment & Collection
System, Mason County

Dear Permittee:

The Division of Water and Waste Management has reviewed your Permit Application / General Permit Site Registration Application Form for your sewage disposal system. The registration form has been assigned the above registration number. Based upon the information you submitted on this registration form, you are now authorized to operate under WV/NPDES General Water Pollution Control Permit No. WV0103110, issued on May 14, 2004. A copy of General Permit was sent with your registration package, or is enclosed. The letter should be kept with your copy of the General Permit. You should carefully read the contents of the permit and become familiar with all requirements needed to remain in compliance with the permit.

Although you should be aware of all the terms and conditions of this permit, we wish to advise you of the following important requirements:

1. You are subject to the requirements of Treatment Category 1 of the General Permit.
2. Maximum flow from your facility is limited to 30,000 gallons per day.
3. All facilities permitted to discharge pollutants to the waters of the State under Chapter 22, Article 11 of the West Virginia Code are required to test their effluent in order to verify permit compliance. The testing is the responsibility of the permittee and these test results are to be submitted to this office on the Discharge Monitoring Reports (DMRs) which are attached. A discharge monitoring report form is to be completed and submitted to this office each quarter. Failure to submit the required DMRs is a violation of your permit and can lead to enforcement actions being taken by this agency for noncompliance. It is suggested that several copies of the enclosed DMRs be made for your future use, as this office does not supply permittees with DMR forms. Your first DMR is due on or before October 20, 2009.
4. Section H of this permit contains the requirements concerning proper Sludge Management practices. This section requires the annual submission of your sewage sludge management report on the enclosed Small Facility Sewage Sludge Management Report.

HONORABLE ROGER STOVER

Page 2

July 06, 2009

5. Please be advised that if you are using ultraviolet disinfection, you do not need to monitor Total Residual Chlorine. If you decide in the future to chlorinate this discharge as the means of disinfection, you need to apply for a permit modification.

Special Condition. The effluent pipe shall be angled so that the discharge is routed directly towards the Kanawha River.

Finally, note that copies of all future correspondence regarding the permit including copies of DMRs must be sent to the following addresses:

Department of Environmental Protection
Division of Water and Waste Management
Permitting Section
601 57th Street SE
Charleston, WV 25304-2345

Department of Environmental Protection
Environmental Enforcement
PO Box 662
Teays, WV 25569

The validity of this General Permit Registration is contingent upon payment of the applicable annual permit fee, as required by Chapter 22, Article 11, Section 10 of the Code of West Virginia.

Please be advised that the General Permit has been administratively extended until May 13, 2010.

If you have any questions, please contact John Perkins, Supervisor of this Division at (304) 926-0495.

Sincerely,

Scott G. Mandirola
Acting Director

SGM:jmp

Enclosures



west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street, SE
Charleston, WV 25304-2345
(304) 926-0495
(304) 926-0496 fax

Joe Manchin III, Governor
Stephanie R. Timmermeyer, Cabinet Secretary
www.wvdep.org

CERTIFIED RETURN RECEIPT REQUESTED

ORDER NO.: /order_number/

DATE: July 06, 2009

TO: HONORABLE ROGER STOVER
LEON, TOWN OF
PO DRAWER 136
LEON, WV 25123

The following FINDINGS are made and ORDER issued pursuant to the authority vested in the Director of the Division of Water and Waste Management under Chapter 22, Article 11 of the Code of West Virginia.

FINDINGS OF FACT

1. LEON, TOWN OF owns and operates a sewage disposal system and discharges pollutants into the waters of the State.
2. This facility has been granted coverage to operate under the general permit number WV0103110. It has been assigned registration number WVG551434 and Treatment Category 1 which prescribes the following average monthly effluent requirements for Total Residual Chlorine (TRC). This effluent limit for TRC is 28.0 ug/l.
3. The existing facilities cannot achieve the assigned Treatment Category 1 limitations.

In consideration of the above, this ORDER requires immediate upgrading of the sewage treatment facilities by the permittee in the process that will lead to compliance with the WV/NPDES General Permit Treatment Category 1 effluent limitations.

ORDER FOR COMPLIANCE

AND NOW, this July 06, 2009, general permit registrants are hereby ORDERED to do the following:

1. On or before six (6) months of the Division of Water and Waste Management registering your wastewater treatment facility for coverage under WV/NPDES General Permit No. WV0103110, the permittee shall install additional treatment in order to meet the prescribed Treatment Category 1 WV/NPDES General Permit Limitations for TRC.
2. Comply immediately with the interim effluent limitations as described in the attached Discharge Monitoring Reports.

Compliance with the terms and conditions of this ORDER shall not be construed to relieve the permittee of the obligation to comply with the terms and conditions of its WV/NPDES General Permit or of any applicable Federal, State, or local law. Violation of this ORDER is a violation of the West Virginia State Code, Chapter 22, Article 11, and may result in further enforcement action as outlined in the Act.

This ORDER shall be effective upon receipt.

BY: _____
Scott G. Mandirola, Director

SGM:XXX

Attachment



west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street, SE
Charleston, WV 25304-2345
(304) 926-0495
(304) 926-0496 fax

Joe Manchin III, Governor
Stephanie R. Timmermeyer, Cabinet Secretary
www.wvdep.org

CERTIFIED RETURN RECEIPT REQUESTED

ORDER NO.: /order_number/

DATE: July 06, 2009

TO: HONORABLE ROGER STOVER
LEON, TOWN OF
PO DRAWER 136
LEON, WV 25123

The following FINDINGS are made and ORDER issued pursuant to the authority vested in the Director of the Division of Water and Waste Management under Chapter 22, Article 11 of the Code of West Virginia.

FINDINGS OF FACT

1. LEON, TOWN OF owns and operates a sewage disposal system and discharges pollutants into the waters of the State.
2. This facility has been granted coverage to operate under the general permit number WV0103110. It has been assigned registration number WVG551434 and Treatment Category 1 which prescribes the following average monthly effluent requirements for BOD5 - XXX mg/l; NH3-N - XXX mg/l; and TRC - 28.0 ug/l.
3. The existing facilities cannot achieve the assigned Treatment Category 1 limitations.

In consideration of the above, this ORDER requires immediate upgrading of the sewage treatment facilities by the permittee in the process that will lead to compliance with the WV/NPDES General Permit Treatment Category 1 effluent limitations.

Promoting a healthy environment.

ORDER FOR COMPLIANCE

AND NOW, this July 06, 2009, general permit registrants are hereby ORDERED to do the following:

1. On or before six (6) months of the Division of Water and Waste Management registering your wastewater treatment facility for coverage under WV/NPDES General Permit No. WV0103110, the permittee shall install additional treatment in order to meet the prescribed Treatment Category 1 WV/NPDES General Permit Limitations for BOD5, NH3-N, and TRC.
2. Comply immediately with the interim effluent limitations as described in the attached Discharge Monitoring Reports.

Compliance with the terms and conditions of this ORDER shall not be construed to relieve the permittee of the obligation to comply with the terms and conditions of its WV/NPDES General Permit or of any applicable Federal, State, or local law. Violation of this ORDER is a violation of the West Virginia State Code, Chapter 22, Article 11, and may result in further enforcement action as outlined in the Act.

This ORDER shall be effective upon receipt.

BY: _____
Scott G. Mandirola, Director

SGM:XXX

Attachment

STATE OF WEST VIRGINIA
 NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
 DISCHARGE MONITORING REPORT

WRD 2A-82
 LIMITATION CATEGORY: 1
 GEN. PMT. REGISTRATION NO. WVG551434

FACILITY NAME: (Town of Leon Wastewater Treatment & Collection System) LEON, I
 CERTIFIED LABORATORY NAME:
 LOCATION OF FACILITY: LEON, Mason County
 CERTIFIED LABORATORY ADDRESS:
 PERMIT NO.: WV0103110
 OUTLET NO.: 001

INDIVIDUAL PERFORMING ANALYSIS:

Parameter	Quantity		Other Units		Measurement Frequency	Sample Type
	Units	N.E.	Units	N.E.		
50050 (ML-1) RF-B Flow in Conduit or thru plant Year Round	Reported	N/A	N/A		1/quarter	Estimated
	Permit Limits		0.03 Max. Daily			
00310 (ML-B) RF-B BOD, 5-Day 20 Deg.C Year Round	Reported	Rpt Only Max. Daily	Lbs/Day		1/quarter	Grab
	Permit Limits		60 Max. Daily	75 Inst. Max.		
00530 (ML-A) RF-B Total Suspended Solids Year Round	Reported	Rpt Only Max. Daily	Lbs/Day		1/quarter	Grab
	Permit Limits		60 Max. Daily	75 Inst. Max.		
74055 (ML-A) RF-B Coliform, Fecal Year Round	Reported	N/A	400 Max. Daily	500 Inst. Max.	1/quarter	Grab
	Permit Limits		200 Mo. Geo. Mean			
00400 (ML-A) RF-B pH Year Round	Reported	N/A	N/A	9 Inst. Min.	1/quarter	Grab
	Permit Limits					
00600 (ML-A) RF-C Nitrogen, Total (as N) Year Round	Reported	N/A	Rpt Only Max. Daily	Rpt Only Inst. Max.	1/6 months	Grab
	Permit Limits					
00665 (ML-A) RF-C Phosphorus, Total Year Round	Reported	N/A	Rpt Only Max. Daily	Rpt Only Inst. Max.	1/6 months	Grab
	Permit Limits					
50060 (ML-A) RF-B Chlorine, Total Residual Year Round	Reported	N/A	57 Max. Daily	70 Inst. Max.	1/quarter	Grab
	Permit Limits					

* CEL = Compliance Evaluation Level

Name of Principal Executive Officer		Date Completed
Title of Officer		Signature of Principal Executive Officer or Authorized Agent

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of a fine and imprisonment for knowing violations.

NOTICE TO PERMITTEES

The 1999 regular session of the West Virginia legislature revised the Water Pollution Control Act, Chapter 22, Article 11, Section 10 of the Code of West Virginia relating to fees associated with permits. This section of the Code requires all holders of a State water pollution control permit or a national pollutant discharge elimination system permit to be assessed an annual permit fee, based upon rules promulgated by the Secretary of the Department of Environmental Protection. The Secretary has promulgated a final rule in accordance with the code revision to this effect and these rules were effective May 4, 2000. The rules establish an annual permit fee based upon the relative potential to degrade the waters of the State which, in most instances, relate to volume of discharge. However, for sewage facilities, the annual permit fee is based upon the number of customers served by the facility. You may contact the Secretary of State's Office, State Capitol Building, Charleston, WV 25305, to obtain a copy of the rules. The reference is Title 47, Legislative Rules, Department of Environmental Protection, Division of Water Resources, Series 26 Water Pollution Control Permit Fee Schedules.

Based upon the volume of discharge for which your facility is currently permitted, the number of customers served by your facility or for the category you fall within, pursuant to Section 7 of Title 47, Series 26, your annual permit fee is **\$50.00**. This fee is due no later than the anniversary date of permit issuance in each year of the term of the permit or in the case of coverage under a general permit, the fee is due no later than the anniversary date of your coverage under the general permit. **You will be invoiced by this agency at the appropriate time for the fee.** Failure to submit the annual fee within ninety(90) days of the due date will render your permit void upon the date you are mailed a certified written notice to that effect.

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ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
11/09/2009

PRODUCER (304)375-4900 FAX (304)375-2162
 Bill Bailey Insurance Agency
 701 Highland Avenue
 P. O. Box 246
 Williamstown, WV 26187

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED Town of Leon
 PO Box 136
 Leon, WV 25123

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: American Alternative Insurance	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L TR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> 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	SP9154166-01	11/11/2009	11/11/2010	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COM/PROP AGG \$ 3,000,000
		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED ALTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE \$ RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
		OTHER				

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

The Certificate Holder listed below is named as Additional Insured in regards to the policy listed above.

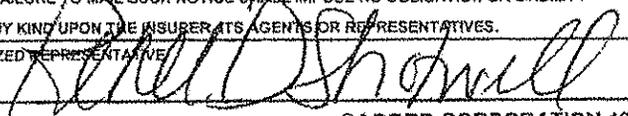
CERTIFICATE HOLDER

CANCELLATION

WV Water Development Authority
 180 Association Drive
 Charleston, WV 25311

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE





State of West Virginia
Joe. Manchin III
Governor

Office of the Governor
State Capitol
1900 Kanawha Boulevard, E.
Charleston, WV 25305

Telephone: (304) 558-2000
Toll Free: 1-888-438-2731
FAX: (304) 342-7025
www.wv.gov.ote

February 10, 2006

The Honorable Jeffrey L. Miller
Mayor
Town of Leon
Post Office Drawer 136
Leon, West Virginia 25123-0136

Dear Mayor Miller:

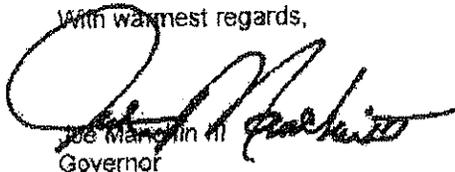
Thank you for your application to the Small Cities Block Grant Program (SCBG). Your request has been approved. These funds will enable the Town of Leon to construct a new sewage treatment and collection system.

To effectively use the limited dollars available, I hereby commit \$300,000 from our state administered fiscal year 2005 SCBG allocation that will immediately be available to you. The remaining \$1,200,000 necessary to complete the project will be evaluated in the coming year. Be advised that the balance of \$1,200,000 is contingent upon the project's readiness to proceed and continued funding from the United States Department of Housing and Urban Development. I encourage you to expedite this project and reach its completion as quickly as possible with this funding strategy in mind.

Please contact Mrs. Angela White Negley of the West Virginia Development Office, at (304) 558-4010, to complete the necessary contract in order to proceed with your project. The West Virginia Development Office reserves the right to withdraw these funds if your project does not proceed on schedule. These funds would be replaced with a letter of intent for consideration from future allocations.

I am pleased to assist with these improvements for the citizens of the Town of Leon.

With warmest regards,


Joe Manchin III
Governor

JM ans



State of West Virginia
Joe Manchin III
Governor

Office of the Governor
State Capitol
1900 Kanawha Boulevard, E.
Charleston, WV 25305

Telephone: (304) 558-2000
Toll Free: 1-888-438-2731
FAX: (304) 342-7025
www.wv.gov.org

November 1, 2006

The Honorable Roger L. Stover
Mayor
Town of Leon
Drawer 136
Leon, West Virginia 25123-0136

Dear Mayor Stover:

On February 10, 2006, the Town of Leon received a commitment of \$1,500,000 in Small Cities Block Grant funds to enable you to construct a new wastewater treatment and collection system.

The Small Cities Block Grant award was based upon your immediate need for funds. Therefore, only \$300,000 was made available from the FY2005 allocation, with a commitment to evaluate your progress and provide the remaining funding from future allocations.

Based upon the Town of Leon's ability to proceed with this worthwhile project, I am committing the remaining \$1,200,000 from the FY2006 Small Cities allocation. Your existing Small Cities Block Grant contract will be amended to include the additional funds.

The West Virginia Development Office reserves the right to withdraw these funds if your project does not proceed on schedule. These funds would be replaced with a letter of intent for consideration from future allocations. Please be advised that a letter of intent is contingent upon the availability of federal funds.

I am pleased to assist with these improvements for the citizens of the Town of Leon

With warmest regards,


Joe Manchin III
Governor

JM:trs

GRANT AGREEMENT
(95S-126)

This Grant Agreement entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council") and the TOWN OF LEON (the "Governmental Agency").

RECITALS

WHEREAS, the Council has authorized the Authority to make a grant to the Governmental Agency in the amount not to exceed \$968,000 (the "Grant") for the purposes of the design, acquisition or construction of a project for which a preliminary application has been submitted and approved by the Council;

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

WHEREAS, this Grant Agreement sets forth the Council, the Authority and the Governmental Agency'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 Agency hereby agree as follows:

TERMS

1. Prior to the distribution of the Grant, the Governmental Agency shall provide the Authority with a Project budget and an anticipated monthly draw schedule reflecting the receipt dates and amounts from other funding sources. The Project budget shall not be amended unless the Governmental Agency has received the prior written consent of the Council.

2. The Authority shall advance the Council's share of the Project costs from the Grant from time to time upon receipt of a requisition evidencing the costs incurred, which requisition must be satisfactory to the Authority. Unless agreed to by the Council prior to the commencement of construction, the Grant shall be the last dollars expended on the Project.

3. The monthly requisition will also set forth (i) the amounts requested for that requisition period from all other funding agencies, and (ii) the amounts advanced for the Project to date from all other funding agencies.

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

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

6. The Governmental Agency shall comply with and is bound by the Council's rules set forth as Title 167, Series 1 and more particularly Section 5.9 with respect to the sale of the Project.

7. The Governmental Agency acknowledges that the Grant may be reduced, from time to time, to reflect actual Project costs and availability of other funding.

8. The Governmental Agency 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.

9. This Grant Agreement shall be governed by the laws of the State of West Virginia.

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.

TOWN OF LEON

By: M. Bruce Riffe
Its: ~~Chairman~~ MAYOR MBE
Date: November 20, 2009

(SEAL)

Attest:

C. Renae Riffe
Its: ~~Secretary~~ RECORDER CR

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

By: [Signature]
Its: Executive Director
Date: November 20, 2009

(SEAL)

Attest:

Carol A. Cummings
Its: Secretary-Treasurer

Exhibit A

Project Description

The Project consists of construction of a sewerage system consisting of 12,775 linear feet of 8" gravity sewer line, 5,335 linear feet of 6" gravity sewer line, 123 manholes, 11,265 linear feet of force mains, 3 duplex pumping stations, 17 simplex pumping stations, a 30,000 gpd extended aeration package wastewater treatment plant and all necessary appurtenances.

[To Be Placed on Letterhead]

Exhibit B

Wiring Instructions

November 20, 2009

Town of Leon
Drawer 136
Leon, West Virginia 25123

Payor:	West Virginia Water Development Authority
Source:	Grant Proceeds
Amount:	\$27,107.25
Date:	November 20, 2009
Form:	Electronic Funds Transfer
Payee:	Town of Leon
Contact Name:	Carol Cummings
Telephone:	304.558.3612
Bank Name:	City National Bank
Bank Street Address:	2212 Jackson Avenue, Point Pleasant, WV 25550
Bank Contact:	Kim Reynolds
Telephone:	304.674.1009
Routing No.:	051904524
Account No.:	8003746248
Account Name:	Series 2009 B Bonds Construction Trust Fund



CLOSING MEMORANDUM

To: Financing Team
From: John C. Stump, Esquire
Date: November 20, 2009
Re: Town of Leon Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA)

1. DISBURSEMENTS TO THE TOWN OF LEON

Payor: West Virginia Department of Environmental Protection
Source: Series 2009 B Bonds Proceeds
Amount: \$54,896
Form: Wire
Payee: Town of Leon, 136 Main Street, Leon, WV 25123
ABA #: 051904524
Account #: 8003746248
Bank: City National Bank
Contact: Kim Reynolds, 304.674.1009
Account: Series 2009 B Bonds Construction Trust Fund

Payor: West Virginia Infrastructure & Jobs Development Council
Source: Grant
Amount: \$27,107.25
Form: Wire
Payee: Town of Leon, 136 Main Street, Leon, WV 25123
ABA #: 051904524
Account #: 8003746248
Bank: City National Bank
Contact: Kim Reynolds, 304.674.1009
Account: Series 2009 B Bonds Construction Trust Fund

11.04.09
514960.00002

CH5150897.1

Accts Payable

DEP PAYMENT REQUISITION FOR

Rev 04/07/09

1. LOAN RECIPIENT/VENDOR:

NAME: Town of Leon

ADDRESS: PO Drawer 136
Leon, WV 25123

FEIN: 55-5010118

DUNS: 83-187-3455

2. SRF #: C-544 133

3. INVOICE NUMBER: 1

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

FROM: (MO/DAY/YR) 11/9/09 TO: (MO/DAY/YR) 1120/09

5. % of PHYSICAL CONSTRUCTION COMPLETION 0%

CLASSIFICATION	A) APPROVED BUDGET	B) PREVIOUS APPROVED	C) THIS REQUEST	D) TOTAL COLUMNS B&C	E) AGENCY USE ONLY	
					SRF	ARRA
1) CONSTRUCTION	\$ <u>1,077,417</u> -976,917		\$ 34,396	\$ 34,396		34,396
2) EQUIPMENT			\$ -	\$ -		
3) ENGINEERING						
a. Planning	\$ -					
b. Design	\$ -					
c. Const Basic	\$ -					
d. Spec Services	\$ -					
e. Inspection	\$ -					
4) LEGAL	\$ -					
5) ACCOUNTING	\$ -					
6) ADMINISTRATIVE	\$ -					
7) CONTINGENCY	\$ <u>100,500</u>		\$ -	\$ -		
8) LOAN REPAYMENT	\$ -					
9) RESERVE FUND	\$ -					
10) CLOSING COSTS	\$ 20,500		\$ 20,500	\$ 20,500		20,500
11) SUBTOTAL	\$ 1,097,917	\$ -	\$ 54,896	\$ 54,896		54,896
12) LESS PREVIOUSLY PAID				\$ -0-		-0-
13) INVOICE AMOUNT				\$ 54,896	-0-	54,896

14) <u>M. Bruce Riffle</u> AUTHORIZED SIGNATURE Bruce Riffle, Mayor TYPED OR PRINTED NAME AND TITLE	11/9/09 DATE	15) <u>Katy Mallory</u> PERSON PREPARING FORM SIGNATURE Katy Mallory TYPED OR PRINTED NAME AND TITLE	11/9/09 DATE
--	-----------------	---	-----------------

AGENCY USE ONLY:

THIS REQUEST APPROVED BY: <u>Elizabeth M. Brudette</u> PROJECT REVIEWER	<u>11/10/09</u> DATE	WV DEPARTMENT OF ENVIRONMENTAL PROTECTION <u>R. Brudette</u> AUTHORIZED OFFICER	<u>11/10/09</u> DATE
---	-------------------------	---	-------------------------

DEP revised SRF budget 11/09/2009

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

Date: 11-10-09

Signed: *Elizabeth D. Burdette*

Comm. # <u>C32980</u>	SA PO #	PO#:	SWC NAME: <u>(1013300)</u>			
CLASS #	LEASE #	OE#:	SCO#:			
		FEIN#/SS# <u>555 010 118</u>				OFF APP Date <i>[Signature]</i>
		FMS VENDOR #: <u>138836</u>				<u>11/10/09</u>
FUND	FY	ORG	ACT	OBJ CODE	GRANT #	PROJECT #

	FUND	FY	ORG	ACT	OBJ CODE	GRANT #	PROJECT #	AMOUNT
128	3329		9455		0128			
128-ARRA	3329	<u>10</u>	9458	<u>099</u>	0128		<u>09914</u>	<u>54,896</u>
083	3329		9455		0083			
083-S	3329		9455		0083			
							TOTAL	<u>54,896</u>

INSTRUCTIONS:

PAYMENT DATA

ATTACH ALL COPIES OF PROJECT INVOICES WHICH DOCUMENT THIS SPECIFIC PAYMENT REQUEST.

ITEM ENTRY

1. PROVIDE THE LEGAL NAME OF THE RECIPIENT ORGANIZATION, MAILING ADDRESS, FEIN NUMBER, AND DUNS NUMBER.
2. FILL IN PROJECT NUMBER ASSIGNED BY THE SRF PROGRAM.
3. INVOICE NUMBERS SHOULD BE IN SEQUENTIAL ORDER BEGINNING WITH REQUEST #1.
4. THIS SHOULD REFLECT THE TIME FRAME COSTS COVERED BY PAYMENT REQUISITION.
5. THE PERCENTAGE OF PHYSICAL CONSTRUCTION COMPLETED, INCLUDING STORED MATERIALS.

CLASSIFICATION

COLUMNS ENTRY

- COLUMN A SHOW THE SRF APPROVED BUDGET BY LINE ITEM.
 - COLUMN B SHOW THE CUMULATIVE TOTAL COST PREVIOUSLY APPROVED FOR REIMBURSEMENT. (THIS WILL BE COLUMN E OF THE PRIOR INVOICE)
 - COLUMN C SHOW AMOUNT REQUESTED FOR THIS REIMBURSEMENT REQUEST (COST INCURRED SINCE LAST INVOICE)
 - COLUMN D THE SUM OF COLUMNS B & C.
 - COLUMN E **STATE AGENCY USE ONLY - DO NOT COMPLETE**
- LINES 12 + 13 **DO NOT COMPLETE**

SIGNATURE BLOCK

ITEM ENTRY

14. THE AUTHORIZED REPRESENTATIVE MUST SIGN AND DATE THREE ORIGINAL FORMS OF EACH PAYMENT REQUEST. THE INVOICE DATE CAN BE NO SOONER THAN THE LAST DAY OF THE PERIOD COVERED. (BLOCK 4)
15. THE PERSON WHO PREPARES THE PAYMENT REQUEST MUST SIGN AND DATE THREE ORIGINAL FORMS.

SUBMIT PAYMENT REQUEST FORM IN TRIPPLICATE AND ONE SET OF INOVICES TO
 DEP, DIVISION OF WATER & WASTE MANAGEMENT
 STATE REVOLVING FUND PROGRAM
 601 57TH STREET, S.E.
 CHARLESTON, WV 25304-2345
 ATTN: ROSALIE BRODERSEN

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 11.17.2009 Time 1:30 LGA Town of Leon Program CWSRF

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
Carol Cummings	WDA	304-558-3612	304-558-0299	cummings@wvwda.org
John Stump	Stephens-Hanson PLLC	304-353-8196	304-353-8181	john.stump@stephens-hanson.com
Ryan White	Jackson Kelly PLLC	304-340-1483	304-340-1272	swhite@jacksonkelly.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 Bruce Riffle, Mayor Telephone 304.458.2030 E-Mail N/A

Address 136 Main Street, Leon, WV 25123

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.



American Recovery and Reinvestment Act of 2009 (ARRA)

Project Certification

Program: West Virginia Clean Water State Revolving Fund

Project: Leon, Mason County

Description:

New wastewater collection and treatment system to serve approximately 160 customers in the Town of Leon, community of Brownsville and along Leon - Baden Road.

Total Project Cost

\$3,565,917

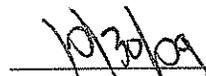
ARRA Assistance Provided

\$1,097,917

I hereby certify that the above project has received the full review and vetting required by federal law and that the investment of federal and state funds in this infrastructure project is an appropriate use of taxpayer dollars.

This certification will be posted on the Governor's website and linked to the federal ARRA website www.recovery.gov.


Randy C. Huffman, Cabinet Secretary


Date



west virginia department of environmental protection

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 16th day of April 2009

GENERAL ORDER NO. 182.09

Public Service Commission intended procedures concerning water and sewer projects that are funded with federal stimulus funds.

COMMISSION ORDER

Earlier this year, Congress enacted and the President signed the *American Recovery and Reinvestment Act of 2009*. Under this legislation, the State of West Virginia is to receive certain stimulus funds, a portion of which will be dedicated to the construction of water and sewer infrastructure. The Public Service Commission ("Commission") has received information from various funding agencies. The State Bureau for Public Health through its drinking water treatment revolving fund will have approximately \$19.5 million for water projects. In addition, the State Department of Environmental Protection through the clean water state revolving fund will have approximately \$61 million for sewer projects. Both of these state agencies have indicated that they intend to have the projects bid by August 2009 and contracts awarded by October 2009. In addition, certain other stimulus funds for water and sewer projects will be administered by the U.S. Department of Agriculture, Rural Utilities Service.

Although the Commission is not a funding source for the stimulus funds, it will nonetheless be called upon to process utility applications for certificates of public convenience and necessity ("certificates") to authorize the construction of stimulus-funded water and sewer projects. Given the aggressive schedule planned by the funding agencies, and the requirement in the federal law that water and sewer projects be "shovel ready," meaning under construction within a quick time line, the Commission intends to expedite these applications to the greatest extent possible consistent with existing State Law.

As a preliminary observation, the Commission would stress that applications must be complete and the statutory thirty-day notice to the public must be given at the outset of the application. Failure to file complete applications or failure to provide timely public notice will lead to delays in processing projects and jeopardize the ability to receive federal stimulus funds. The Commission anticipates that it will receive (i) new applications for water and sewer projects using federal stimulus funds, (ii) amendments to pending applications

containing some measure of federal stimulus funds, and (iii) petitions to reopen certificates already issued seeking to amend funding by including federal stimulus funds. The Commission issues this General Order to inform the public, regulated utilities, attorneys who practice before the Commission, funding agencies, and the staff of the Commission of its intended procedures and processes.

With respect to new stimulus project applications, the Commission intends that applicants and Staff observe the following procedures. At the outset, the Commission again stresses that it is essential that a utility project sponsor file a complete application and provide timely public notice of its application.

1. Staff assigned to the case should immediately review the filing to determine if it is complete. The Initial Joint Staff Memorandum should be filed within ten days.¹
2. If the filing is complete and does not require an increase in rates for the project, Staff should file its Final Joint Staff Memorandum in thirty-five days which allows for the protest period assuming the applicant has timely published notice.
3. If the filing is complete and includes a proposed increase in rates for the project, Staff may deem it necessary to file a data request for items needed to complete the review and make a final Staff recommendation. This data request should be filed within ten days. The applicant should expedite its response to Staff's requests and Staff should file its Final Joint Staff Memorandum within forty-five to sixty days.
4. If the filing is not complete, irrespective of whether or not the application seeks an increase in rates, Staff should file a data request, if necessary, for the items needed to complete the review and make a final Staff recommendation. This data request should be filed within ten days. The applicant should expedite its responses to Staff's requests and Staff should file its Final Joint Staff Memorandum within forty-five to sixty days.
5. If rates are required for the project and a rate change has not been included with the application:
 - A. For municipalities, the processing time is out of the Commission's ability to control. Staff needs to determine where the municipality is in the ordinance process and what else is needed to process the case. This should all be part of the Initial Joint Staff Memorandum to let the Commission know if the case can be processed or needs dismissed. (Certificates and rate ordinances need to be coordinated for a municipal appeal.) Data requests should still be filed within the ten-day period.

¹ Days in this Order are calendar days. Filings due on weekends or holidays are due the next working day.

- B. Public service districts ("districts") that need rates for the project can follow steps 1 and 3 or 4 above.
- C. Districts that require rates outside of the project and are in default on bonds cannot move forward. Staff must address this in its initial memorandum.

5. For newly-filed water or sewer applications for certificates of convenience and necessity where the funding is described at the time of the filing as Stimulus Funding the Commission shall designate the filings as "SCN." The Commission, its Staff and Administrative Law Judges, will process those designated filings as expeditiously as possible.

The stimulus funds may be used to replace existing funding for projects that are ready to proceed, allowing the State of West Virginia to fund more projects than planned and provide an enhanced investment in water and sewer infrastructure to unserved and under-served areas of the State. To expedite the processing of projects that have already received a certificate and are eligible to receive stimulus funds, the Commission plans the following process and procedures:

6. In instances where municipalities or municipal water or sewer boards ("municipal utilities") have already been granted certificates, and in the event the municipality is awarded a stimulus assistance funding package to replace either existing grant or loan funding from another source, the municipal utility shall only be required to file with the Commission a letter from the funding agency that describes the change in the project funding. The filing will be treated as a closed entry by the Executive Secretary and the Commission anticipates no further action by the Commission.

7. Similarly, for districts that are awarded a stimulus assistance funding package equivalent to the existing grant money from another source, that has no impact on rates, the district shall only be required to file with the Commission a letter from the funding agency that describes the change in the project funding. The filing will be treated as a closed entry by the Executive Secretary and the Commission anticipates no further action by the Commission.

8. In the event that a district is awarded a stimulus assistance funding package and the benefit to the customers of such improved financing is lower project costs, the district will only be required to file a petition to reopen the original formal case granting the certificate in order that the Commission may review the rates established for the project.

The Commission will provide for such petitions to reopen to be handled in an expedited manner. To that end, the district will be required to file with its petition to reopen a letter from the funding agency that describes the change in project funding, specifically setting forth the newly-committed funding and an accompanying calculation by the district

of the impact to its rates together with supporting documentation. Upon the filing of this information, Staff will perform a review of the revised project funding and rate calculations and file a final recommendation with the Commission stating its recommended rates as soon as possible, but no later than ten days after receipt of the petition. The Commission will issue an order as soon thereafter as possible.

9. For districts that are awarded a stimulus assistance funding package to supplement funding to deal with a cost overrun in whole or part, that has no impact on rates, the district may utilize the enhanced funding to first fund any project alternatives that were reviewed as either deducts or adducts that were approved as a part of the original certificate, contingent upon funding, in order that all portions of the project can be constructed. In this event, the district shall be required to file with the Commission a letter from the funding agency that describes both the change in the project funding and also notes the deducts or adducts that will be funded for construction. The filing will be treated as a closed entry by the Executive Secretary and the Commission anticipates no further action on its part.

The issuance of these guidelines should expedite these projects and the continuing effort to provide quality water and sewer service throughout the State of West Virginia. The Commission understands that there will be instances and situations where events will disrupt these intended procedures; however, the Commission expects all parties to use their best efforts to process these cases in a timely manner. Finally, given the aggressive time frame contemplated by the funding agencies and the intent to have bids out by August 2009, project applications should be filed no later than June 1, 2009, to avoid jeopardizing the timely consideration of those applications.

IT IS SO ORDERED.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission give public notice of this order in a manner deemed most efficient and appropriate.

[Faint signature]

[Signature]
Sandra Spivey
Executive Secretary

go18209c.wpd

SEWER BILLING AGREEMENT

This AGREEMENT, made this 20th day of November, 2009, by and between MASON COUNTY PUBLIC SERVICE DISTRICT, a public service district in the State of West Virginia with its principal address at 332 Viand Street, Point Pleasant, West Virginia 25550 (the "District"), and the TOWN OF LEON, a municipal corporation of the State of West Virginia, situate in Mason County, operating sewer facilities through its SANITARY BOARD, with a mailing address of Drawer 136, Leon, West Virginia, 25123 (the "Sewer Authority").

WHEREAS, the Sewer Authority owns and operates sewer facilities serving the citizens and residents within its service territory in Mason County, West Virginia;

WHEREAS, the District is the owner and operator of a water distribution system serving some or all of the customers of the Sewer Authority, under the applicable Rules and Regulations of the Public Service Commission of West Virginia (hereinafter "Commission");

WHEREAS, the Sewer Authority desires to have the District assume responsibility for billing its citizens for sewer service based on their water consumption; and

WHEREAS, the parties wish to define and state their respective responsibilities in writing.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter stated and intending to be legally bound thereby, the parties do hereby agree as follows:

1. Billing Services. The District will read the water meters of the Sewer Authority customers on a monthly basis, if weather or other circumstances do not interfere with the meter reading process. The District will issue monthly sewer bills to the customers of the Sewer Authority based upon the charges for the Sewer Authority's sewer service as set forth on the Sewer Authority's tariffs. The District will provide copies of customer bills or account statements to the Sewer Authority upon request at a charge of \$1.00 per page.
2. Receipts. The District shall receive all payments for the Sewer Authority sewer customers. Said payments shall be credited first to the District's own charges, with the remainder being credited to the Sewer Authority's sewer charges. The District shall, on a weekly basis, deposit all receipts credited to the Sewer Authority into an account to be designated by the Sewer Authority. To that end, the Sewer Authority agrees to provide the District with deposit slips for the Sewer Authority's account into which receipts are to be deposited.
3. Delinquent Accounts. The District shall issue delinquent and shutoff notices to all delinquent Sewer Authority customers, and will shut off water service to the Sewer Authority sewer customers in accordance with the Water Service Termination Agreement between the parties hereto and applicable state rules.
4. Initial Cost. The Sewer Authority agrees to pay the District the sum of \$500.00 for the administrative time and cost of setting up the billing for the Sewer Authority.

5. Initial Monthly Costs. The Sewer Authority agrees to pay the District the sum of \$842.40 per month for its services under this Agreement. In addition, the Sewer Authority shall pay the District all amounts required under the Water Service Termination Agreement.

6. Revisions to Monthly Costs. The Board of the District receives and approves an annual report for its sewer system to be filed with the Commission. Within sixty (60) days after filing its annual report, the District shall review its cost per customer to provide billing, collecting, and administrative services to the Sewer Authority. The District's monthly charge to the Sewer Authority shall be revised annually based upon the formula:

Total A ÷ Schedule 601, Line 13, Column (g) = Annual Total ÷ 12 months =
Monthly Cost Per Customer x Number of Sewer Authority Customers =
Revised Monthly Costs

Where Total A is determined by: Schedule 602 Line No. 38
+ Line No. 40
+ Line No. 43
+ Line No. 44
+ Line No. 46

Total A

See the excerpt from the District's Annual Report for the fiscal year ended June 30, 2008, attached hereto as Attachment A, and the example attached hereto as Attachment B. The District's revisions to monthly costs shall be effective for all whole calendar months commencing after the District provides the Sewer Authority with written notice thereof, and continuing until subsequent written notice is provided by the District to the Sewer Authority.

7. Customer Information. The Sewer Authority agrees to provide the District with all current customer information and to keep such information updated and current.

8. Term and Termination. This Agreement shall become effective upon receipt by the District of an original or counterpart hereof, duly executed by both parties hereto, shall continue thereafter for a period of ten (10) years and shall automatically be renewed for like successive periods unless and until terminated as hereinafter provided. This Agreement may be terminated by the Sewer Authority or the District upon sixty (60) days written notice given by certified mail, return receipt requested.

9. Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto, including their respective successors and assigns, but may not be assigned without the consent of the other party, provided that such consent shall not be unreasonably withheld.

10. Notice to Sewer Authority. The Sewer Authority shall deliver all written requests, statements, fees, notices and other documents or payments called for or permitted by the terms of this Agreement to the District at the following address:

Mason County Public Service District
332 Viand Street
Point Pleasant, West Virginia 25550

11. Notice to District. The District shall deliver all statements, notices and other documents called for or permitted by the terms of this Agreement to the Sewer Authority at the following address:

Town of Leon
Drawer 136
Leon, West Virginia 25123

12. Execution in Counterparts. This Agreement 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.

[Signature Page Follows]

IN WITNESS WHEREOF, the Town of Leon, Mason County, West Virginia and Mason County Public Service District, Point Pleasant, West Virginia have caused this Sewer Billing Agreement to be signed, by their duly authorized officers, all as of the day and year first written above.

TOWN OF LEON

By: Mr. Bill Ruff
Mayor

[SEAL]

Attest:

C. Renee Winkle
RECORDER

MASON COUNTY PUBLIC SERVICE DISTRICT

By: Dorel Welfer
Chairman

[SEAL]

Attest:

Mary L. Smith

SEWER UTILITIES
(Classes C and D)

ANNUAL REPORT

OF

Mason County Public Service District / Camp Conley Division

(Name of Respondent)

332 Viand Street, Pt. Pleasant, WV 25550

(Address of Respondent)

TO THE

PUBLIC SERVICE COMMISSION

OF

WEST VIRGINIA

FOR THE YEAR ENDED

6/30/2008

Name, title, address and telephone number (including area code) of the person to be contacted concerning this report

Mary Smith
332 Viand Street
Pt. Pleasant, WV 25550
(304) 675-6399

SALES OF SEWAGE TREATMENT TO GENERAL CUSTOMERS-BY MONTHS (Accounts 601-606)

Line No.	Month (or Other Billing Period) (a)	Unmetered			Metered		
		Revenue (b)	Estimated Gallons Billed (000 Omitted) (c)	Number of Customers (d)	Revenue (e)	Gallons Sold (000 Omitted) (f)	Number of Customers (g)
1	July-07			-	8,727	835,510	188
2	August-07			-	8,335	749,860	185
3	September-07			-	7,867	739,710	187
4	October-07			-	8,383	798,280	186
5	November-07			-	9,056	826,000	189
6	December-07			-	6,984	768,590	192
7	January-08			-	8,000	712,710	190
8	February-08			-	8,773	808,260	191
9	March-08			-	8,860	780,430	191
10	April-08			-	10,200	947,780	188
11	May-08			-	9,480	858,020	187
12	June-08			-	10,389	1,050,890	187
13	Total	-	-	#DIV/0!	105,052	9,876,040	188
14	Number of error-driven billing adjustments during reporting period						

SEWAGE TREATMENT FOR RESALE - BY MONTHS (Account 607)

- 1 Report below the information specified concerning sewage treated during the year to other sewer utilities or to public authorities for distribution to ultimate consumers
- 2 The quantities reported should be those shown by the bills rendered to the purchasers
- 3 The sales should be reported by months or other billing period for each utility
4. Attach continuation sheets as necessary

Line No.	Name of Other Sewer Utility (a)	Billing Period (b)	Gallons Billed (000) Omitted (c)	Revenue (d)
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				

SEWER OPERATING EXPENSES

1 Enter in the spaces provided the sewer operating expenses for the year

2 If the increases and decreases are not derived from previously reported figures explain in footnotes

Line No.	Class		Account (c)	Amount for Year (d)	Increase or Decrease from Preceding Year (e)
	C (a)	D (b)			
1			COLLECTING EXPENSES		
2			Operation:		
3	1701	2701	Operation Supervision and Labor	252	(897)
4	1703	2703	Supplies and Expenses	100	100
5			Total Operation	352	(797)
6			Maintenance:		
7	1705	2705	Maintenance of Structures and Equipment	2,577	(1,382)
8			Total Maintenance	2,577	(1,382)
9			Miscellaneous:		
10	1708	2708	Rents		
11			Total Collecting Expenses	2,930	(2,179)
12			PUMPING EXPENSES		
13			Operation:		
14	1721	2721	Operation Supervision and Labor	3,518	178
15	1723	2723	Power and Fuel	6,809	646
16	1724	2724	Supplies and Expenses		
17			Total Operation	10,326	824
18			Maintenance:		
19	1725	2725	Maintenance of Structures and Equipment	5,278	(3,003)
20			Total Maintenance	5,278	(3,003)
21			Miscellaneous:		
22	1728	2728	Rents		
23			Total Pumping Expenses	15,604	(2,179)
24			TREATMENT AND DISPOSAL EXPENSES		
25			Operation:		
26	1741		Operation Supervision and Labor	15,522	4,265
27		2741	Operating Expenses		
28	1743.1		Supplies and Expenses	10,231	(585)
29	1743.2		Chemical Treatment Expenses	1,465	233
30			Total Operation	27,218	3,914
31			Maintenance:		
32	1745	2745	Maintenance of Structures and Equipment		
33			Total Maintenance		
34			Miscellaneous:		
35	1747	2747	Rents		
36			Total Treatment and Disposal Expenses	27,218	3,914
37			BILLING AND COLLECTING EXPENSES		
38	1781	2781	Meter Reading, Billing and Collecting	5,862	668
39	1784	2784	Uncollectible Accounts		
40	1785	2785	Rents	510	
41			Total Billing and Collecting Expenses	6,362	668
42			ADMINISTRATIVE AND GENERAL EXPENSES		
43	1790	2790	General Office Salaries	4,806	338
44	1793	2793	General and Miscellaneous Supplies and Expenses	755	(332)
45	1797	2797	Regulatory Commission Expenses	378	18
46	1798	2798	Insurance	3,904	3,904
47	1799	2799	Injuries and Damages		
48	1800	2800	Other General Expenses	32,339	17,100

ATTACHMENT B

		<u>Total A</u>
1.	Schedule 602, line 38	\$5,852.00
2.	Schedule 602, line 40	\$510.00
3.	Schedule 602, line 43	\$4,806.00
4.	Schedule 602, line 44	\$755.00
5.	Schedule 602, line 46	<u>\$3,904.00</u>
6.	Total Lines 1-5 = Total A	15,827.00
7.	Schedule 601, Line 13 , column (g)	= 188
8.	Line 6 ÷ Line 7	\$84.19
9.	Line 8 ÷ 12 months =	\$7.02
10.	Line 9 x Number of Leon Sewer Customers (120)	\$842.40

(masonpsd\leon\sewer agmt atch B)

WATER SERVICE TERMINATION AGREEMENT

This AGREEMENT, made this 20th day of November, 2009, by and between MASON COUNTY PUBLIC SERVICE DISTRICT, a public service district of the State of West Virginia with its principal address at 332 Viand Street, Point Pleasant, West Virginia 25550 (the "District"), and the TOWN OF LEON, a municipal corporation of the State of West Virginia, situate in Mason County, operating sewer facilities through its SANITARY BOARD, with a mailing address of Drawer 136, Leon, West Virginia, 25123 (the "Sewer Authority").

WHEREAS, the Sewer Authority owns and operates sewer facilities serving the citizens and residents within its service territory in Mason County, West Virginia;

WHEREAS, the District is the owner and operator of a water distribution system serving some or all of the customers of the Sewer Authority, under the applicable Rules and Regulations of the Public Service Commission of West Virginia (hereinafter "Commission");

WHEREAS, the District is required by law (West Virginia Code § 16-13A-9(b)), at the request and direction of the Sewer Authority and with the approval of the Commission, to terminate the supply of water from the District's system to any customer or premises with regard to which the fees imposed by the Sewer Authority are delinquent; and

WHEREAS, the District is willing to cooperate and assist the Sewer Authority in the collection of its delinquent accounts upon the terms hereinafter set forth.

NOW THEREFORE, in consideration of the sum of \$1.00 and other good and valuable considerations, the receipt of which is hereby acknowledged, and the covenants hereinafter expressed, the parties hereto do mutually agree that:

1. Termination Procedure. Upon receipt by the District of a written request by the Sewer Authority for termination of water service to a specified customer or premises with regard to which the sewer fees provided by the Sewer Authority shall not have been paid for a period of not less than sixty (60) days from the due date thereof, together with the hereinafter mentioned fee and affidavit, the District will, within three (3) regular working days following receipt of the aforesaid written request (except as otherwise provided below), discontinue the supply of water from its system to such customer or premises until it is advised in writing by the Sewer Authority either that (i) all delinquent fees (for which a customer's water service may be terminated under this Agreement), together with any interest thereon or other permissible charges pertaining thereto, have been paid, or (ii) a satisfactory payment plan has been initiated pursuant to Rule 4.8.g. of the Commission's *Rules for the Government of Water Utilities*; or (iii) until the Sewer

Authority otherwise directs. It is expressly understood and agreed that the three (3) day termination response period set forth above may be extended at the sole discretion of the District to a maximum of six (6) days when and if necessary due to a large number of termination requests or for other scheduling problems. The District shall not terminate water service to any customer or premises pursuant to this Agreement (i) prior to the expiration of the notice period required by the terms of Rule 4.8.a.4 of the *Rules for the Government of Water Utilities*; or (ii) service shall not be discontinued on a Saturday, Sunday, any day that is a federal or state holiday, a day on which the utility's business office is not open to accept payment, or on the day before such days, unless an emergency exists. All discontinuances of water service shall be performed between the hours of 8:00 a. m. and 4:00 p.m.

2. Payment. The Sewer Authority shall pay to the District, concurrently with delivery of the aforesaid written request for discontinuance of water service, a termination fee for each water service to be terminated, said fee to be in the amount set forth on Schedule A attached hereto. In the event the District receives a termination fee for the termination of water service to a specified customer or premises and subsequently dispatches a District employee to said premises to execute the termination request but does not actually terminate water service because the customer or other responsible party delivers payment for the full amount of the delinquent Sewer bill(s) to said District employee, then, in that event, the termination fee shall be deemed to be an administration fee which shall be retained by the District. In addition, the Sewer Authority shall also pay to the District, concurrently with a request for restoration of water service previously terminated at the Sewer Authority's request, a reconnection fee in the amount set forth on the attached Schedule A for each water service restored by the District.

It is understood and agreed that the aforesaid fees for termination and restoration of water service shall automatically increase or decrease without any further notice or action by the District, upon an increase or decrease in such corresponding fees as may now or hereafter be approved by the Commission and set forth in the District's tariffs. The District shall promptly notify the Sewer Authority in the event of a change in the fees for termination and/or restoration of water service and the Sewer Authority shall promptly thereafter make an appropriate filing with the Commission to amend its tariffs accordingly.

The customer shall reimburse the Sewer Authority for any termination and reconnection fees, or other costs previously paid by the Sewer Authority with regard to such customer, provided said customer is notified pursuant to Rule 4.8.a.11 of the Commission's *Rules for the Government of Water Utilities* that in the event water service is terminated the customer will be responsible for such fees charged to the Sewer Authority by the District and that these fees and charges be specifically expressed in the termination notice.

3. Affidavit. The Sewer Authority shall deliver to the District, concurrently with delivery of the aforesaid written request for termination of water service and the

aforesaid termination fee, an affidavit executed by an officer or authorized employee of the Sewer Authority stating that:

(a) the delinquent sewer fees upon which the Sewer Authority's request for termination of water service is based were incurred by the present occupant of the premises or a member of the same household or that someone other than the occupant of the premises is liable for the payment of the delinquent sewer fees, such as a landlord pursuant to West Virginia Code §16-13A-9; and

(b) the Sewer Authority has given written notice to one or more persons liable for the payment of the delinquent sewer fees, pursuant to Rule 4.8.b of the Commission's *Rules for the Government of Sewer Utilities*, of the Sewer Authority's intention to request termination of water service, a copy of which notice shall be attached to said affidavit.

4. Liability. The District shall not be liable for any loss, damage or other claim asserted by the owner or occupant of the premises, the Sewer Authority's customer, the District's customer or any other person or corporation, including the Sewer Authority, based on or arising out of the termination of such supply of water, and the Sewer Authority does hereby indemnify and save harmless the District, its agents, officers, servants and employees, from any such loss, damage or other claims, including counsel fees and expenses incurred in connection therewith, except to the extent that any such loss, damage or claim, or portion thereof, is finally adjudicated to be the proximate result of the negligence, omissions or willful acts of the District, its agents and employees. In this regard, the Sewer Authority further agrees as follows:

(a) the Sewer Authority shall provide the District a working telephone number to which customer inquiries resulting from termination of water service at the request of the Sewer Authority for delinquent sewer fees may be referred,

(b) the Sewer Authority shall be responsible for promptly answering all complaints, either verbal or written, lodged with the Commission, or received by or directed toward the District, due to termination of water service at the request of the Sewer Authority for delinquent Sewer bills. The District shall promptly forward any such complaints received by it to the Sewer Authority.

(c) the Sewer Authority shall be responsible for collections of all delinquent sewer fees, and no collections for delinquent sewer fees shall be made by the District at their office or the office of any of their agents, unless pursuant to a separate written Agreement between the parties hereto; provided, however, the District shall accept payment of the entire amount of the delinquent sewer fees at a customer's premises in lieu of termination of service as required by Rule 4.8.a.7 of the Commission's *Rules for the Government of Water Utilities*.

5. Term and Termination. This Agreement shall become effective upon receipt by the District of an original or counterpart hereof, duly executed by both parties hereto, shall continue thereafter for a period of ten (10) years and shall automatically be renewed for like successive periods unless and until terminated as hereinafter provided. This Agreement may be terminated by the Sewer Authority or the District upon sixty (60) days written notice given by certified mail, return receipt requested.

6. Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto, including their respective successors and assigns, but may not be assigned without the consent of the other party, provided that such consent shall not be unreasonably withheld.

7. Regulatory Changes. It is understood and agreed by the parties hereto that the District may be required to comply with any existing or future regulations of the Commission relating to notice of termination of service, in addition to any other notice that might be required under this contract or any applicable statute or ordinance. It is further understood and agreed by the parties hereto that the District is under no obligation to the Sewer Authority to investigate, verify or make any inquiry in respect of any affidavit or notice submitted to the District by the Sewer Authority.

8. Notice to District. The Sewer Authority shall deliver all written requests, statements, fees, notices and other documents or payments called for or permitted by the terms of this Agreement to the District at the following address:

Mason County Public Service District
332 Vland Street
Point Pleasant, West Virginia 25550

9. Notice to Sewer Authority. The District shall deliver all statements, notices and other documents called for or permitted by the terms of this Agreement to the Sewer Authority at the following address:

Town of Leon
Drawer 136
Leon, West Virginia 25123

10. Counterparts. This Agreement 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.

[Signature Page Follows]

IN WITNESS WHEREOF, the Town of Leon, Mason County, West Virginia and Mason County Public Service District, Point Pleasant, West Virginia have caused this Water Service Termination Agreement to be signed, by their duly authorized officers, all as of the day and year first written above.

TOWN OF LEON

By: *M. Blue Ruff*
Mayor

[SEAL]

Attest:

C. Rensae Riddle

MASON COUNTY PUBLIC SERVICE DISTRICT

By *Donald Weber*
Chairman

[SEAL]

Attest:

Mary L. Smith

Schedule A

**FEEES FOR THE DISCONNECTION AND RECONNECTION OF WATER
SERVICE**

DISCONNECTION FEE: \$25.00 ¹

RECONNECTION FEE: \$25.00 ²

ADMINISTRATION FEE: \$25.00 ³

1. The disconnection fee shall increase or decrease automatically, without notice, with any increase or decrease in such corresponding fees as may now or hereafter be approved by the Commission and set forth in the District's tariffs. In the event water service is not disconnected because of the payment, at the customer's premises, of the full amount of the delinquent sewer bill(s) owed, the disconnection fee shall be deemed to be an administration fee of the same amount which shall be retained by the District.
2. The reconnection fee shall increase or decrease automatically, without notice, with any increase or decrease in such corresponding fees as may now or hereafter be approved by the Commission and set forth in the District's tariffs.
3. The administration fee shall increase or decrease automatically, without notice, with any increase or decrease in such corresponding fees as may now or hereafter be approved by the Commission and set forth in the District's tariffs. This fee is applicable when a District employee is dispatched to said premises to execute a termination request but does not actually terminate water service because the customer or other responsible party delivers payment in the full amount of the delinquent sewer bill(s) to said District employee.