CITY OF PENNSBORO

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

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CITY OF PENNSBORO
SEWER REVENUE BONDS, SERIES 2009 B
(WEST VIRGINIA SRF PROGRAM/ARRA)

BOND ORDINANCE

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CITY OF PENNSBORO

BOND ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF PENNSBORO AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,500,000 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.

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

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 City of Pennsboro (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Ritchie 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 additions and improvements to its existing public sanitary sewer system, (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 Clerk 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 $3,500,000 (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), if any; 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 an 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. There are outstanding bonds of the Issuer which will rank on a parity with the Series 2009 B Bonds as to liens, pledge, source of and security for payment, being the Issuer's Sewer Revenue Bonds, Series 1993 (United States Department of Agriculture), dated April 12, 1993, issued in the original aggregate principal amount of $375,000 (the "Series 1993 Bonds" or the "Prior Bonds"). Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which will rank on a parity with the Series 2009 B Bonds as to liens, pledge, source of and security for payment.

The Series 2009 B Bonds shall be issued on a parity with the Series 1993 Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2009 B Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests, if any, of the Series 1993 Bonds are met; and (ii) the written consent of the Holders of the Series 1993 Bonds to the issuance of the Series 2009 B Bonds on a parity with the Series 1993 Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all covenants of the Prior Bonds and Prior Ordinance.

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 and the Prior Bonds.

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

"Clerk" means the Clerk of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 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 _Burgess & Niple, Parkersburg, 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.

"Depreciation Account" means the Depreciation Account established by Prior Ordinance.

"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 City of Pennsboro, a municipal corporation and political subdivision of the State of West Virginia, in Ritchie 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, if any, 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 or Prior Bonds and as of any particular date, describes all Bonds and Prior Bonds theretofore and thereupon being authenticated and delivered, except (i) any Bond or Prior Bonds cancelled by the Bond Registrar or the Registrar for the Prior Bonds at or prior to said date; (ii) any Bond or Prior Bonds for the payment of which monies, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; (iv) any Prior Bond deemed to have been paid in accordance with the ordinance authorizing the issuance thereof; and (v) for purposes of consents or other action by a specified percentage of Bondholders, or holders of any Prior Bonds, any Bonds or Prior Bonds registered to the Issuer.

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

"Paying Agent" means the Commission or other entity 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.

"Prior Bonds" means the Issuer's Sewer Revenue Bonds, Series 1993 (Untied States Department of Agriculture), dated April 12, 1993, issued in the original aggregate principal amount of $375,000.

"Prior Ordinance" means the ordinance of the Issuer, as supplemented, authorizing the Prior Bonds.

"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.

"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, collectively, the respective reserve accounts established for the Series 2009 B Bonds and the Prior Bonds.

"Reserve Requirement" means collectively, the respective amounts required to be on deposit in any Reserve Account for the Prior Bonds and the Series 2009 B Bonds, which is to be one year's annual debt service amount.

"Revenue Fund" means the Revenue Fund established by the Prior Ordinance and continued hereby.

"Series 1993 Bonds" means the Issuer's Sewer Revenue Bonds, Series 1993 (United States Department of Agriculture), dated April 12, 1993, issued in the original aggregate principal amount of $375,000.

"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, if any, 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 complete existing municipal sewage treatment and collection system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include 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 $3,500,000, 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 $5,000,000, of which not more than $3,500,000 will be obtained from the proceeds of the Series 2009 B Bonds, $1,500,000 will be obtained from a Small Cities Block Grant and $249,278 grant will be obtained from the West Virginia Infrastructure Fund.

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 $3,500,000, 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 Clerk. 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; Lien Position with Respect to Prior Bonds. 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, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. 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 the Prior 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
CITY OF PENNSBORO
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 CITY OF PENNSBORO, a municipal corporation and political subdivision of the State of West Virginia in Ritchie 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 acquisition and construction of certain additions, betterments and improvements to the 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 _____, 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.

THIS BOND IS ISSUED ON A PARITY AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S SEWER REVENUE BONDS, SERIES 1993 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED APRIL 12, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $375,000 (THE "SERIES 1993 BONDS" OR THE "PRIOR BONDS").

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, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2009 B Bonds Reserve Account"), 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, including the Prior 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, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar (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.

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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 CITY OF PENNSBORO has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Clerk, and has caused this Bond to be dated the day and year first written above.

[SEAL]

_____
Mayor

ATTEST:

_____
Clerk

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

AMOUNT	DATE	AMOUNT	DATE
(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 Clerk 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 (or continued if previously established by the Prior Ordinance) 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 (established by the Prior Ordinance as the Sewer Fund and hereby renamed and continued);

(2) Renewal and Replacement Fund (established by the Prior Ordinance as the Depreciation Account and hereby renamed and continued); 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 the Prior Ordinance and this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Bond Legislation and in the Prior Ordinance. 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 simultaneously remit to the National Finance Office, the amount required by the Prior Ordinance to pay interest on the Series 1993 Bonds.

(3) The Issuer shall next, on the first day of each month, transfer

from the Revenue Fund and remit (i) to the National Finance Office, the amount required by the Prior Ordinance to pay principal on the Series 1993 Bonds; and (ii) to the Commission, commencing 4 months prior to the first date of payment of principal 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, if any, which will mature and become due on the Series 2009 B Bonds on the next ensuing quarterly principal payment date.

(4) 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.

(5) 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.

Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 1993 Bonds and the Series 2009 B Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 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. If required by the Authority at anytime, 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, principal and reserve account payments, if any, 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 relevant provisions

of the Prior Ordinance, 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 by the Issuer, as received, in the Series 2009 B Bonds Construction Trust Fund, and following completion of the Project, 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 and the Consulting Engineers, 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; Lien Position with Respect to Prior Bonds. 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, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Prior Bonds and 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 May 19, 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 Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinance. Additionally, 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 Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts

required to be paid into 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 and the Prior 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 (unless less restrictive than the provisions of the Prior Ordinance).

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 Clerk a written statement by the Independent Certified Public Accountants reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues 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 Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, 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, to the extent legally required, in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto), 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 Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, 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, including the Prior 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, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 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 and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS

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

Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission, the Depository Bank, or such other bank or national banking association, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank 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; or

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2009 B Bonds shall be on a parity with the Holders of the Series 1993 Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of

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

The receiver so appointed shall forthwith, directly or by his or her or its agents and attorneys, enter into and upon and take possession of all facilities of said System and shall hold, operate and maintain, manage and control such facilities, and each and every part thereof, and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might 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. Except for the Prior Ordinance, all ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided that, in the event of any conflict between this Ordinance and the Prior Ordinance, the Prior Ordinance shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

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

Section 11.07. 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 Pennsboro News*, a newspaper published and of general circulation in the City of Pennsboro, 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 20, 2009
Passed on Second Reading:	July 27, 2009
Passed on Final Reading Following Public Hearing:	August 17, 2009

Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the City of Pennsboro on the 17th day of August, 2009.

Dated: September 25, 2009

[SEAL]

Rebecca R. Valkington
Clerk

05.29.09
696750.00002

EXHIBIT A

ARRA Assistance Agreement included in bond transcript as Document 3.

CITY OF PENNSBORO

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 CITY OF PENNSBORO; 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.

WHEREAS, the council (the "Governing Body") of the City of Pennsboro (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective August 17, 2009 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF PENNSBORO AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,500,000 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.

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 $3,500,000 (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 CITY OF PENNSBORO:

Section 1. 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 $2,801,000. The Series 2009 B Bonds shall be dated the date of delivery thereof and shall bear no interest. The principal of the Series 2009 B Bonds shall be 100% forgiven as set forth in ARRA Assistance Agreement. 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 2. 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 3. 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 4. 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 5. 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 6. The Issuer does hereby appoint and designate Union Bank, Pennsboro, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 7. 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 8. Series 2009 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 2009 B Bonds Reserve Account.

Section 9. 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 10. The Mayor and the City Clerk 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 September 25, 2009, to the Authority pursuant to the ARRA Assistance Agreement.

Section 11. 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 12. The Issuer does hereby approve and authorize all contracts relating to the financing, acquisition and construction of the Project.

Section 13. 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 14. The Special Conditions of the ARRA Assistance Agreement are attached as Exhibit A.

Section 15. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 21st day of September, 2009.

By: _____
Its: Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of Pennsboro on the 21st day of September, 2009.

Dated: September 25, 2009

[SEAL]

Rebecca R. Talkington
Clerk

05.29.09
696750.00002

EXHIBIT A

ARRA ASSISTANCE AGREEMENT 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.

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.

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").

CITY OF PENNSBORO (C-544409/2004S-839a)
(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 of or interest on the Local Bonds, the right to obtain the appointment of a receiver to administer the System or construction of the Project, or both, as provided by law and all rights as set forth in Section 5 of the Act;

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

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

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

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

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

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

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

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

(xvii) That the Local Government shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payment. The Local Government shall complete the Monthly Payment Form, attached hereto as Exhibit F and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month. 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.

CITY OF PENNSBORO

(SEAL)

By: _____
Its: Mayor
Date: September 25, 2009

Attest:

_____
Its: Recorder

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

By: _____
Its: Acting Director
Date: September 25, 2009

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Executive Director
Date: September 25, 2009

Attest:

_____
Its: Secretary-Treasurer

{C1591044.1}

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** _____

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

_____
Name of Person Completing Form

_____
Address

_____
Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

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

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

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

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

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

EXHIBIT C

PAYMENT REQUISITION FORM

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

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

(Name of Bonds)

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

1. My firm is engineer for the acquisition and construction of _____ to the _____ system (the "Project") of _____ (the "Issuer"), to be constructed primarily in _____County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the same meaning set forth in the bond _____ adopted or enacted by the Issuer on _____, and the 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 firm[1] 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 thereof[2], 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]

---

[1]If 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".

[2]If 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 $2,801,000
Purchase Price of Local Bonds $2,801,000

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, 2010 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: 0
Location: N/A

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

(i) City of Pennsboro Sewer Revenue Bonds, Series 1993 (United States Department of Agriculture), dated April 12, 1993, issued in the original aggregate principal amount of $375,000.

SCHEDULE Y

DEBT SERVICE SCHEDULE

BOND DEBT SERVICE

City of Pennsboro

10 Years

Dated Date 9/25/2009

Delivery Date 9/25/2009

Period Ending	Debt Service	Series B Principal Forgiveness
9/29/2009		
6/1/2010	-70,025	-70,025
9/1/2010	-70,025	-70,025
12/1/2010	-70,025	-70,025
3/1/2011	-70,025	-70,025
6/1/2011	-70,025	-70,025
9/1/2011	-70,025	-70,025
12/1/2011	-70,025	-70,025
3/1/2012	-70,025	-70,025
6/1/2012	-70,025	-70,025
9/1/2012	-70,025	-70,025
12/1/2012	-70,025	-70,025
3/1/2013	-70,025	-70,025
6/1/2013	-70,025	-70,025
9/1/2013	-70,025	-70,025
12/1/2013	-70,025	-70,025
3/1/2014	-70,025	-70,025
6/1/2014	-70,025	-70,025
9/1/2014	-70,025	-70,025
12/1/2014	-70,025	-70,025
3/1/2015	-70,025	-70,025
6/1/2015	-70,025	-70,025
9/1/2015	-70,025	-70,025
12/1/2015	-70,025	-70,025
3/1/2016	-70,025	-70,025
6/1/2016	-70,025	-70,025
9/1/2016	-70,025	-70,025
12/1/2016	-70,025	-70,025
3/1/2017	-70,025	-70,025
6/1/2017	-70,025	-70,025
9/1/2017	-70,025	-70,025
12/1/2017	-70,025	-70,025
3/1/2018	-70,025	-70,025
6/1/2018	-70,025	-70,025
9/1/2018	-70,025	-70,025
12/1/2018	-70,025	-70,025
3/1/2019	-70,025	-70,025
6/1/2019	-70,025	-70,025
9/1/2019	-70,025	-70,025
12/1/2019	-70,025	-70,025
3/1/2020	-70,025	-70,025
	-2,801,000	**-2,801,000**

STEPTOE & JOHNSON PLLC
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) 353-8148 – Telephone
(304) 353-8180 – Facsimile
todd.swanson@steptoe-johnson.com

September 21, 2009

RECEIVED
09 SEP 21 PM 1:32
W VA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

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

Re: **CASE NO.: 09-0826-S-SCN**
CITY OF PENNSBORO
Application for a certificate of convenience and necessity to repair and upgrade wastewater collection treatment facilities at Pennsboro, Ritchie County.

Dear Ms. Squire:

For filing on behalf of the City of Pennsboro (the "City"), please find an original and twelve (12) copies of an affidavit by the City's certified public accountant affirming that the rates and charges for the City: (i) are not affected by the revised funding consisting of a $200,000 Small Cities Block Grant, a $2,801,000 loan from the Department of Environmental Protection with 100% debt forgiveness and no administrative fee and a $249,278 grant from the West Virginia Infrastructure & Jobs development Council; and (ii) will be sufficient to provide revenues which, together with other revenues of the System, will allow the City's certified public accountant to provide the CPA certification required for the issuance of the bonds.

I ask that you please file the 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 contact me should you have any questions

Sincerely,

Todd M. Swanson
WVSB No. 10509

TMS
Enclosures
cc: Honorable Wesley S. Merritt (w/o enclosures)
Todd Dingess, CPA (w/o enclosures)

696750.00002

CH5257596.1

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

Case No.: 09-0826-S-SCN

CITY OF PENNSBORO

Application for a certificate of convenience and necessity to repair and upgrade wastewater collection treatment facilities at Pennsboro, Ritchie County,

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

AFFIDAVIT

I, Todd Dingess, CPA, after making an oath of affirmation to tell the truth, say that, I have reviewed the Recommended Decision of the Public Service Commission of West Virginia in Case No. 09-0826-S-SCN dated August 10, 2009 approving a $200,000 Small Cities Block Grant and a $2,801,000 loan from the Department of Environmental Protection with 100% debt forgiveness and no administrative fee and, based upon all the information that has been provided to me, to date, I am of the opinion that the rates and charges for the City (i) are not affected by the revised funding consisting of $200,000 Small Cities Block Grant, a $2,801,000 loan from the Department of Environmental Protection with 100% debt forgiveness and no administrative fee and a $249,278 grant from the West Virginia Infrastructure & Jobs development Council; and (ii) will be sufficient to provide revenues which, together with other revenues of the System, will allow me to provide the CPA certification required for the issuance of the Bonds.

This Affidavit is executed on the 18th day of September, 2009.

Todd Dingess, CPA and Member
Smith Cochran & Hicks

Taken, subscribed and sworn to before me this 18th day of September, 2009.

My commission expires May 29, 2012.

K. Sue Green
Notary Public

[SEAL]
OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
K. SUE GREEN
SMITH, COCHRAN & HICKS, PLLC
405 CAPITOL STREET, SUITE 908
CHARLESTON, WV 25301
My commission expires May 29, 2012

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 13th day of August 2009.

CASE NO. 09-0826-S-SCN

CITY OF PENNSBORO
Application for a Certificate of Convenience and Necessity to repair, replace and upgrade wastewater collection and treatment facilities at Pennsboro, Ritchie County.

COMMISSION ORDER
WAIVING EXCEPTION PERIOD

On August 10, 2009, the Administrative Law Judge entered a Recommended Decision that granted the City of Pennsboro a Certificate of Convenience and Necessity to repair, replace and upgrade its wastewater collection and certain treatment facilities, to become effective on and after the date that the Recommended Decision becomes a final order of the Commission.

On August 12, 2009, the City of Pennsboro filed consent to the Recommended Decision and a petition to waive the fifteen-day period of time in which a party may file exceptions to the August 10, 2009 Recommended ~~Decision in this proceeding.~~

On August 13, 2009, Commission Staff filed a letter concurring with the August 10, 2009 Recommended Decision, waiving its right to file exceptions and requesting a waiver of the exception period. There are no other parties in this proceeding.

W. Va. Code §24-1-9 provides a time period of at least twenty days from the date of a recommended order until it becomes effective. According to W. Va. Code §24-1-9(c), at least fifteen days must be afforded the parties within which to file exceptions. In addition, §24-1-9(e) provides that when no exceptions are filed within the specified time period, the Commission shall have an additional five days within which to stay or postpone the Order.

IT IS THEREFORE ORDERED that the requested waiver is granted.

IT IS FURTHER ORDERED that the Administrative Law Judge August 10, 2009 Recommended Decision in this matter becomes final five days after the date of this order, absent further action by the Commission.

IT IS FURTHER ORDERED that the Commission's Executive Secretary serve a copy of this order upon all parties of record by United States First Class Mail and upon Commission Staff by hand delivery.

A True Copy, Teste: Sandra Squire

Sandra Squire
Executive Secretary

SS/kc
090826sa.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL
8/18/2009
Per Commission Order Waiving the Exception Period

Entered: August 10, 2009

CASE NO. 09-0826-S-SCN

CITY OF PENNSBORO,
Application for a Certificate of Convenience and Necessity to repair, replace and upgrade wastewater collection and treatment facilities at Pennsboro, Ritchie County.

RECOMMENDED DECISION

PROCEDURE

On May 21, 2009, the City of Pennsboro (City) filed an application with the Public Service Commission, pursuant to W. Va. Code §24-2-11, for a certificate of public convenience and necessity to repair, replace and upgrade its existing wastewater collection and treatment system in Ritchie County, in order to comply with the terms of Consent Order No. 6213 entered into with the Department of Environmental Protection (DEP), which requires the City to take both interim and future measures to initiate compliance with all of the terms and conditions of its WV/NPDES permit, including the upgrade of the collection system, referred to as Phase 1 Construction, and its wastewater treatment facility, referred to as Phase 2 Construction. A copy of Consent Order No. 6213 was attached to the application as Exhibit A. The City's collection system and wastewater treatment facility suffer from substantial inflow and infiltration (I/I) and an inability to process all of the wastewater produced by its system. As a result, during wet weather events, the system suffers significant sanitary sewer overflows. The City anticipated paying for the improvements to its wastewater collection and treatment system through economic stimulus funding provided under The American Recovery and Reinvestment Act of 2009 (ARRA). On May 19, 2009, the City adopted on second and final reading a municipal ordinance increasing rates for wastewater service, which the City anticipates will provide sufficient revenue to complete the improvements contemplated in the application and provide for the ongoing costs of operation and maintenance of the remainder of its system.

On May 26, 2009, the City filed the Rule 42 Exhibit accompanying its application.

On May 27, 2009, Commission Staff filed its first set of data requests upon the City.

By Commission Notice of Filing Order entered on May 28, 2009, the City was ordered to give notice of the filing of its application to its customers by publishing a copy of the Notice of Filing one time in a

qualified newspaper published and of general circulation in Ritchie County, making due return to the Commission of proof of proper publication immediately thereafter. Anyone wishing to protest or intervene in the matter was given leave to file a written protest or notice of intervention within thirty (30) days following the date of publication. Finally, the Notice of Filing provided that, if there were no substantial protests to the application within the 30-day period, the Commission may waive formal hearing and grant the application based upon the evidence submitted with the application and the Commission's review thereof.

Also on May 28, 2009, Staff Attorney Ronald E. Robertson, Jr., filed the Initial Joint Staff Memorandum in this proceeding, attached to which was the Initial Staff Internal Memorandum prepared by Utilities Analysts Sandy Mitchell and Pamela Latocha of the Water and Wastewater Division and Jim Weimer, P.E., of the Engineering Division. Commission Staff discussed the terms of the filing and listed several pieces of information that were needed from the City in order for Staff to make its final recommendation in the case.

On May 29, 2009, the City filed the final form of Consent Order No. 6213 by and between the City of Pennsboro and the Division of Water and Wastewater Management of the West Virginia Department of Environmental Protection dated April 8, 2009, which became effective on May 28, 2009. The City also filed a letter pointing out that, while the Notice of Filing indicated that the City of Pennsboro was seeking a rate increase in the certificate application, the City had already adopted a municipal ordinance increasing its sewage rates and charges.

By Commission Order entered on June 3, 2009, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before August 19, 2009.

On June 5, 2009, the City filed its responses to Staff's first set of data requests. Included in the information submitted were payroll information regarding raises provided to employees in October of 2008; the DEP letter constituting the good faith commitment of ARRA funds for the project; the West Virginia Infrastructure and Jobs Development Council (IJDC) application filed by the City and the IJDC approval letter; a final cost estimate and summary of project costs; the final engineering report; the design drawings and contract documents; and estimated final operation and maintenance costs. The funding letter from the DEP indicated that, based upon the DEP's guidelines, the City appeared to be eligible to be considered for a loan in the amount of $2,801,000, with 100% debt forgiveness and no annual administrative fee. Also submitted in the packet of information was a copy of the commitment for the Small Cities Block Grant (SCBG) in the amount of $200,000, which made up the remainder of the project funding.

On June 10, 2009, the City filed an affidavit of publication indicating that the Notice of Filing was published in The Pennsboro News, a qualified newspaper published and generally circulated in Ritchie County, on June 3, 2009. The 30-day protest period expired on July 6, 2009, as a result of the actual 30 days expiring on the federal Fourth of July holiday. As of the date of this Order, no protests have been filed in response to the publication of the Notice of Filing.

On July 10, 2009, in response to a request from Commission Staff, the City filed another copy of the May 29, 2009 DEP letter providing the good faith commitment of ARRA funding.

On July 20, 2009, at the request of Commission Staff, the City filed another copy of the commitment letter for the Small Cities Block Grant of $200,000.

On July 21, 2009, Staff Attorney Robertson filed the Final Joint Staff Memorandum herein, attached to which was the Final Internal Memorandum prepared by Ms. Latocha, Ms. Mitchell and Mr. Weimer. The engineering review explained that the City of Pennsboro serves 623 sewer customers. It proposes to construct upgrades to its wastewater collection system to reduce inflow and infiltration flows which cause significant system overflows during wet weather. The City has been under a variety of consent orders issued by the DEP since 2000. A construction plan has been proposed which will go forward in two phases to alleviate the violations of the City's permits. Phase 1 consists of the replacement of the interceptor sewer and small modifications to the plant, while Phase 2 will add a complete new treatment system to the plant. The Phase 1 project is the subject of the instant filing, and consists of the replacement of approximately 4,500 feet of interceptor sewer, associated manholes and tie-ins to existing customer sewer service lines; the construction of a larger capacity main lift station; the construction of a new preliminary treatment facility with a metered overflow; the installation of a new UV disinfection facility; the addition of a new flow splitter box for future tie-in to Phase 2 of the project; the demolition of some existing treatment plant components; and construction-associated property restoration activities, for a total project cost of $3,001,000.

DEP issued an NPDES permit to the City on June 25, 2004. A revised NPDES permit modification for construction of the new plant equipment is needed and should be obtained before a certificate is issued herein. The Staff Engineer indicated that the project will not require Department of Highways permits, but will require a Public Lands stream entry permit for creek crossings. The review by the West Virginia Department of Culture and History has already been provided. The City will need a sedimentation control plan for the project.

According to Commission Staff, the installed cost of the improvements per existing customer, based on the total customer base served by the City, is approximately $4,820, which Staff considers to be large for a repair/compliance project. However, since the project is funded essentially through 100% grant funding, the customers will see no significant rate impact from the project. The annual operation and maintenance cost increases for the project due to new equipment only were estimated at zero dollars. However, power cost for the new larger lift station pump to pump all previously discharged flows will add expense. Staff estimated that this will add an additional $3,000 annually to plant costs. The project filing did not make an allowance for the chlorination and dechlorination costs of the diverted flows during wet weather events. Commission Staff estimates an additional $500 will be required for this operation. The additional cost for disposal of the significant amount of grit collected on the new fine screen were estimated by the project engineer at $1,300. An increase in total operation and maintenance of

$4,800 is anticipated. Based on the total customer count of 623 customers, the O&M cost increase on a per existing customer monthly bill basis is $0.63, which is significantly less than the revenue provided by the City's recent rate increase.

The total cost for all engineering and inspection services for the project is $571,500, representing nearly 28% of the construction costs and 19% of the project cost. Commission Staff believes that this high cost is not reasonable for a project of this scope. Generally, Staff expects total engineering costs in the 12-15% range of construction costs for projects of this size. Commission Staff also pointed out that recent amendments to W. Va. Code §5G-1-3 require utilities soliciting services for projects greater than $250,000 to limit total engineering costs to those noted in the American Society of Civil Engineers' Manual of Practice. A review of that document indicates that total fees for a project of average complexity should be approximately 14% of construction costs. Staff believes that 14% is a reasonable fee for this project and recommends that the City consider renegotiating a lower fee in lieu of the 28% submitted. Staff noted that the projected fees for Phase 2 are approximately 17% of construction cost for a much more complex project. Additionally, according to Staff engineering, recent experience with fees shows a relationship with the type of funding, with federally funded or fully grant-funded projects generating much higher fees than projects with significant loan funds from state sources. Staff also noted that the City had the right to hire its own project inspector, rather than utilize the full-time inspector supplied by the engineering firm. Commission Staff believes that, when a highly qualified inspector is paid directly by the City and reports directly to the City, a much more rigorous and effective inspection results.

According to Technical Staff, the project is needed to eliminate the sewer overflows which pollute Bunnell Run. It will also satisfy a portion of the many DEP consent orders issued to the City. The project documents indicate that the City has made some effort to reduce I&I. However, no detailed descriptions of those efforts were presented and no conclusive results were provided to suggest that sufficient effort was applied to reduce that I&I. Staff did acknowledge that moving the I&I to the plant is an acceptable practice to protect the public health. However, prior to a final plant design, Staff believes that the City must aggressively pursue and identify I&I sources, rather than simply design a larger plant to handle the unnecessary flows. According to Staff, with incremental treatment costs ranging from $0.40 to $0.55 per thousand gallons and 100% I&I flow noted in the City's annual report, adding an embedded cost to customers of approximately $40,000 per year, or $64 per customer, to treat I&I is an unreasonable burden on the customers. The additional debt cost for larger-than-required sewage-only treatment adds to the customers' burden. The City should aggressively pursue the removal of I&I prior to moving to Phase 2. The Technical Staff also concluded that the City's project is convenient, because it is not a financial burden on its customers, given the 100% grant funding through ARRA.

The financial review indicated that the City had provided the required documentation for the Small Cities Block Grant and the ARRA funding. The City will be required to fund a depreciation/renewal and replacement reserve equal to 2.5% of operating revenues, which should be

approximately $5,652 annually. The Rule 42 Exhibit filed by the City, based on the year ending June 30, 2008, included pro forma adjustments reflecting the project at issue herein. To generate the revenues necessary to complete the project, the City enacted a rate increase, which should generate an additional $50,345 in annual operating revenues. Commission Staff believes that this level of revenue will be sufficient to cover the City's going-level expenses, the project-related expenses, reserve requirements and debt service. The pro forma and Staff-recommended surplus is $3,251 annually, with a debt service coverage of 348.38%. Financial Staff determined that the project, as proposed, with the recently-enacted rates, is financially feasible. Attached to the Staff recommendation was the City's current tariff, including the recent rate increase, and a Staff-recommended tariff, for the City to consider as a model for its next rate ordinance, to bring its tariff language into compliance with the Commission's current Tariff Rules. Commission Staff also attached to its memorandum a cash flow analysis, which indicated that, at going level, under its previous rates, the City would experience a cash flow deficit of $22,104. The increase recently enacted by the City represented a 29.5% increase.

Commission Staff recommended that the application filed by the City of Pennsboro for a certificate of convenience and necessity to construct the Phase 1 wastewater collection and treatment system improvements, at a cost of $3,001,000, be approved, including approval of the funding and several other conditions related in the Staff recommendation. Commission Staff noted that the City still needed to submit the modified NPDES permit; the Public Lands permit for the stream crossings; and a filing noting that all DEP requirements had been addressed. Commission Staff urged the City to closely monitor its financial situation, to ensure that it continued to have rates adequate to support the operation of its wastewater collection and treatment system and meet the coverage requirements of the bondholders.

On July 24, 2009, the City filed six letters and/or permits, including the modified WV/NPDES permit, which Commission Staff indicated was required prior to the issuance of a certificate herein.

On July 27, 2009, the City filed the results of the competitive bidding for the project and advised that, on July 20, 2009, the Sanitary Board of the City of Pennsboro approved and recommended to the City Council that a construction agreement be approved in favor of the lowest responsible bidder, Specialty Piping Corporation, subject to the availability of funding. On that same day, the City Council ratified the recommendation of the Sanitary Board and voted to award a construction contract for the project to Specialty Piping Corporation, subject to funding.

DISCUSSION

The Project at issue herein, in and of itself, is not remarkable and appears to be well-justified. There is more than ample proof of need to support the conclusion that the public convenience and necessity require the Project and that the Project appears to be economically and financially viable, based upon the proposed ARRA funding and the City's recently enacted revised sewer rates and charges. This Project is remarkable because it is one of the SCN applications created by the

Public Service Commission in General Order No. 182.09, issued on April 16, 2009. In that General Order, 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] 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 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 received a letter from either DEP or the Bureau for Public Health, indicating that a project was eligible for certain level of ARRA funding, will actually receive the originally specified level of ARRA funding, or any ARRA funding at all.

In General Order No. 182.09, the Commission determined that, for already certificated municipal water or sewer projects whose funding packages will change due to the award of ARRA funds, a municipality need not petition the Commission to reopen the certificate proceeding for approval of that revised financing, but, instead, can simply file a letter with the Commission, as a closed entry, detailing the new financing package, with no further Commission action.

Traditionally, orders granting certificates of convenience and necessity to municipally-operated public utilities have specifically approved the funding package proposed for the municipal water or sewer project and have required that the municipally-operated public utility file a petition to reopen the proceeding to obtain Commission approval of any changes to project financing only in the event that project costs change and rates are affected, either requiring increases or decreases. That process is being retained in large part for municipal projects using ARRA funds, since that process provides a reasonable, and streamlined, means of addressing the timing problems associated with ARRA projects, i.e., the financing will not be finally committed until sometime in August or September of 2009 and contracts must be awarded on or before October 1, 2009. The biggest difference is the approval of project financing that has not been committed. To further accommodate the timing constraints of ARRA, essentially, 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.

Despite the ARRA 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

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[1]While the availability of ARRA funding has generated a flurry of SCN 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.

viable, which includes guaranteeing that there is adequate financing to fund the proposed project. See, 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 District, 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 City 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 City 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 the filing of the letter by the municipally-operated public utility 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 municipal 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 municipal 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 if the City ultimately receives no ARRA funding, the City will be required to file a petition to reopen this matter, to allow the Commission to assess the nature of the project changes, both to determine if they are adequately funded and to determine if those changes are appropriate and not in conflict with any state laws or Commission rules, and to insure that funding package and associated rates support the economic feasibility and financial viability of the project.

FINDINGS OF FACT

1. On May 21, 2009, the City of Pennsboro filed an application with the Public Service Commission for a certificate of public convenience and necessity to repair, replace and upgrade its wastewater collection and treatment facilities, in order to fulfill the terms of a Consent Order entered into between the City and the DEP which requires the City to take the steps necessary to bring its collection system and treatment facilities into compliance with its NPDES permit. The project has been approved by the West Virginia Infrastructure and Jobs Development Council. (See, application filed May 21, 2009; Final Joint Staff Memorandum and attachment filed July 21, 2009).

2. By Notice of Filing Order entered on May 28, 2009, the City of Pennsboro was required to publish a Notice of Filing one time in a newspaper, published and generally circulated in Ritchie County, providing anyone affected by the application thirty (30) days in which to file written protests with the Public Service Commission. No protests were filed within the thirty-day protest period or as of the date of this Order. (See, Notice of Filing Order entered May 28, 2009; affidavit of publication filed June 10, 2009; case file generally).

3. The City has received a letter from the West Virginia Department of Environmental Protection, informing it that the Project is eligible to be considered for an award of economic stimulus funds, under The American Recovery and Reinvestment Act of 2009, with said funding to be in the form of a $2,801,000 loan, with 100% debt forgiveness and no administrative fee. The City also has received a $200,000 SCBG. (See, DEP letter dated May 22, 2009, filed June 4, 2009; SCBG confirmation letter filed June 4, 2009).

4. DEP has issued NPDES Permit No. WV0025739 for the Project. (See, DEP letter and permit dated May 27, 2009, and filed July 24, 2009).

5. The Project will not require an additional rate increase. In May of 2009, the City enacted a rate increase to become effective on July 3, 2009. Based upon those rates, and with adjustment by Commission Staff for different expenses, at project completion, the City should experience a cash flow surplus of $3,251, with debt service coverage of 348.38%. (See, Final Joint Staff Memorandum and attachment filed July 21, 2009).

6. Commission Technical Staff has reviewed the original plans and specifications for the Project and has concluded that there are no conflicts with the Commission's Sewer Rules concerning engineering requirements. (See, Final Joint Staff Memorandum and attachment filed July 21, 2009).

7. The City has entered into a Consent Order with the DEP that requires it to undertake interim and permanent measures to achieve compliance with the terms and conditions of the City's NPDES permit, including the upgrade of the collection system and wastewater treatment plant. The improvements should reduce inflow and infiltration flows which cause significant sewer system overflows during wet weather which pollute Bunnell Run. (See, Final Joint Staff Memorandum and attachment filed July 21, 2009).

8. After concluding its review, Commission Staff recommended that a certificate of convenience and necessity be granted to the City of Pennsboro, that the proposed ARRA financing be approved and that various other conditions with regard to certification of the project be adopted. (See, Final Joint Staff Memorandum and attachment filed July 21, 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.

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

4. The rates and charges enacted by the City of Pennsboro appear to be sufficient to cover all project-related costs, as well as the City's going-level operation and maintenance expenses.

5. The proposed funding package for the project, consisting of the DEP loan of ARRA funds in the amount of $2,801,000, with 100% debt forgiveness and no administrative fee, and an SCBG in the amount of $200,000, is reasonable and is sufficient to cover the cost of the project, at its current cost estimates.

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. A certificate of convenience and necessity should be granted to the City of Pennsboro for the project specified herein, without specifically approving the project's plans and specifications.

ORDER

IT IS, THEREFORE, ORDERED that the application filed by the City of Pennsboro on May 21, 2009, for a certificate of convenience and necessity to repair, replace and upgrade its wastewater collection and certain treatment facilities, known as the Phase 1 Project, all as more particularly described in the plans and specifications filed with the application, at a total cost of approximately $3,001,000, be, and it hereby is, granted, without specifically approving the plans and specifications filed herein.

IT IS FURTHER ORDERED that the proposed project financing package, consisting of a loan in the amount of $2,801,000 from the Department of Environmental Protection, with 100% debt forgiveness and no annual administrative fee, using funds provided by The American Recovery and Reinvestment Act of 2009, and a $200,000 Small Cities Block Grant, be, and it hereby is, approved. Upon finalization of the funding package, the City of Pennsboro shall file a letter with the Commission detailing the specifics of that funding package, including the terms and conditions of any loans awarded. If the funding package is revised, but still includes ARRA funds, the City is not required to petition the Commission for approval of that revised project financing, as long as the revised ARRA funding package does not require an additional rate increase. It will be sufficient for the City to file the revised 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 will not require any additional rate increase.

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 City of Pennsboro does not receive any ARRA funding, the City of Pennsboro petition the Commission for approval of such change(s) prior to commencing construction.

IT IS FURTHER ORDERED that the City of Pennsboro 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 City of Pennsboro provide a copy of the certification of substantial completion for each contract associated with this project, within ten (10) days of issuance.

IT IS FURTHER ORDERED that, if this project requires the use of Division of Highways' rights-of-way, the City of Pennsboro 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 removed from the Commission's docket of open cases.

The Executive Secretary is hereby ordered to serve a copy of this order upon the Commission by hand delivery, and upon all parties of record by United States Certified Mail, return receipt requested.

Leave is hereby 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 order is mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served said exceptions.

If no exceptions are so filed this order shall become the order of the Commission, without further action or order, five (5) days following

the expiration of the aforesaid fifteen (15) day time period, unless it is ordered stayed or postponed by the Commission.

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

Melissa K. Marland
Chief Administrative Law Judge

MKM:cdk
090826a.wpd

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

Case No.: 09-0826-S-SCN

CITY OF PENNSBORO

Application for a certificate of convenience and necessity to repair and upgrade wastewater collection treatment facilities at Pennsboro, Ritchie County,

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

AFFIDAVIT

I, Todd Dingess, CPA, after making an oath of affirmation to tell the truth, say that, I have reviewed the Recommended Decision of the Public Service Commission of West Virginia in Case No. 09-0826-S-SCN dated August 10, 2009 approving a $200,000 Small Cities Block Grant and a $2,801,000 loan from the Department of Environmental Protection with 100% debt forgiveness and no administrative fee and, based upon all the information that has been provided to me, to date, I am of the opinion that the rates and charges for the City (i) are not affected by the revised funding consisting of $200,000 Small Cities Block Grant, a $2,801,000 loan from the Department of Environmental Protection with 100% debt forgiveness and no administrative fee and a $249,278 grant from the West Virginia Infrastructure & Jobs development Council; and (ii) will be sufficient to provide revenues which, together with other revenues of the System, will allow me to provide the CPA certification required for the issuance of the Bonds.

This Affidavit is executed on the 18th day of September, 2009.

Todd Dingess, CPA and Member
Smith Cochran & Hicks

Taken, subscribed and sworn to before me this 18th day of September, 2009.

My commission expires May 29, 2012.

K. Sue Green
Notary Public

[SEAL]

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
K. SUE GREEN
SMITH, COCHRAN & HICKS, PLLC
405 CAPITOL STREET, SUITE 908
CHARLESTON, WV 25301
My commission expires May 29, 2012

INVOICE AND AFFIDAVIT OF PUBLICATION

The Pennsboro News

103 North Spring Street,
P.O. Box 241, Harrisville, WV 26362
Ph. (304) 643-4947 • Fax (304) 643-4717

WEST CENTRAL PUBLISHING
FEDERAL I.D. NO. 55-06700561
STATE OF WEST VIRGINIA
COUNTY OF RITCHIE, to wit:

I, James McGoldrick, being first duly sworn upon my oath, do depose and say:

- that I am Publisher of The Pennsboro News, a Democratic newspaper,
- that I have been duly authorized to execute this affidavit,
- that such newspaper is regularly published weekly for at least fifty weeks during the calendar year, in the municipality of Harrisville, Ritchie County, West Virginia.
- that such newspaper is a newspaper of "general circulation" as defined in Art. 3, Chap. 59 of the Code of West Virginia 1931 as amended, within Ritchie County;
- that such newspaper averages in length four or more pages, exclusive of any cover, per issue;
- that such newspaper is circulated to the general public at a definite price or consideration;
- that such newspaper is a newspaper to which the general public resorts for passing events or a political, religious, commercial and social nature and for current happenings, announcements, miscellaneous reading matters, advertisements and other notices;
- and that the annexed notice described as follows:

Public Service Commission Notice of Filing

WAS PUBLISHED IN SAID NEWSPAPER AS FOLLOWS:

TIMES	DATES
One	June 3, 2009

PUBLICATION CHARGES $201.37

CERTIF-BILL TO
City of Pennsboro
422 Main Street
Pennsboro, WV 26415

(signed) James McGoldrick

NOTARIZATION

Taken, sworn to and subscribed before me this 3rd day of June, 20 09

Charlott C. Stine
Notary Public

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CHARLOTT C. STINE
115 PINE GROVE RD.
ST. MARYS, WV 26170
My Commission Expires November 18, 2013

PLEASE RETURN A COPY OF THIS INVOICE WITH YOUR PAYMENT TO:
P.O. BOX 241, HARRISVILLE, WV 26362

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered by the Public Service Commission of West Virginia, in the City of Charleston on the 26 day of May, 2009

CASE NO. 09-0826-S-CN

THE CITY OF PENNSBORO
422 Main Street
Pennsboro, West Virginia 26415

Application for a Certificate of Convenience
and Necessity to Repair, Replace and Upgrade
Wastewater Collection and Treatment Facilities
Pennsboro, Ritchie County, West Virginia

NOTICE OF FILING

On May 21, 2009, the City of Pennsboro ("Pennsboro"), a municipal corporation, filed an application, duly verified, for a Certificate of Convenience and Necessity to conduct certain additions and improvements to its wastewater collection and treatment system in Ritchie County. The application is now on file and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

Pennsboro estimates that construction will cost approximately $3,000,000.00, of which $200,000.00 has already been paid by Pennsboro's Small Cities Block Grant design grant, leaving a net project cost of $2,800,000.00. It is proposed that the remaining construction costs will be financed in full by the West Virginia Department of Environmental Protection (WVDEP) Clean Water State Revolving Fund (SRF) supplement under the American Recovery and Reinvestment Act (ARRA).

Pennsboro anticipates charging the following rates for its customers:

Usage Charge: 2,000 gallons consumed per month $18.34
First 3,000 gallons consumed per month $8.50
Next 5,000 gallons consumed per month $7.56
In excess of 10,000 gallons consumed per month $6.63

Flat Rate:
All customers served by waterworks system of the City of Pennsboro shall, as a condition to being or remaining connected to the sewer system, pay a monthly charge of $36.44. All customers not served by the waterworks who desire such service shall pay a connection fee of $250.00 or $50.00 in excess of the actual cost of making connections, whichever is greater.

MINIMUM MONTHLY BILL: 2,000 gallons of water usage per month, $18.34 per month.

DELAYED PAYMENT PENALTY:
Bills are to be paid in full. Overall accounts not paid in full within twenty (20) days of the latest pay date, will be subject to a 10% of current amount owed delayed payment penalty and interest and to be collected only once for each bill where the appropriate. These fees represent the following non-project related increases:

	VS. UNDER	INCREASE OF
Residential	$3.00	29.5%
Commercial	$9.00	22.0%
Industrial	$9.00	9.5%

There are no wastewater customers on the wastewater collection and treatment system of the City of Pennsboro.

The proposed rates and charges will produce approximately $58,000.00 annually in additional revenue, or 29.5%.

The increases were 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 for a stand-alone basis subject to change, increase or decrease by the Public Service Commission in its review of the filing.

Pursuant to 6.2.2.2 of West Virginia Code 24-1-1, IT IS ORDERED that the City of Pennsboro give notice of the filing of its application by publishing a copy of this order once in a newspaper duly qualified by the Secretary of State published in a general circulation in Ritchie County, making due return to the Commission of proof of such publication immediately after publication. Anyone desiring to protest or intervene should file a written protest or notice of intervention within 30 days following the date of this publication. Unless otherwise modified by Commission order, all interested parties may file protests or intervene and state your objections or protests as to this certificate case, including any associated rate increases, or participate in future proceedings. All protests or requests to intervene should be addressed to the Commission for the purpose of intervention. Requests to intervene must comply with the Commission's rules and regulations governing intervention, Commission Rules of Practice and Procedure. All protests and interventions should be addressed to Sandra Squire, Executive Secretary, P.O. Box 812, Charleston, West Virginia 25323.

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

A True Copy, Teste:
Sandra Squire
Executive Secretary

SGS-R

Exhibit A

WEST VIRGINIA

Infrastructure & Jobs Development Council

Gov. Joe Manchin, III
Chairman

Kenneth Lowe, Jr.
Public Member

Dwight Calhoun
Public Member

David "Bones" McComas
Public Member

Ron Justice
Public Member

Angela K. Chestnut, P.E.
Executive Director

Barbara J. Pauley
Administrative Secretary

September 4, 2009

The Honorable Wesley Merritt
Mayor, City of Pennsboro
422 Main Street
Pennsboro, WV 26415

Re: City of Pennsboro
Sewer Project 2004S-839a Binding Commitment
(Action Required by September 30, 2009)

Dear Mayor Merritt:

The West Virginia Infrastructure and Jobs Development Council (Infrastructure Council), at its September 2, 2009 meeting, determined that the City of Pennsboro (City) utilize a $200,000 Small Cities Block grant, $2,801,000 Clean Water State Revolving Fund American Recovery and Reinvestment Act assistance and voted to offer a binding commitment for an Infrastructure Fund grant (Grant) in the amount of up to $250,000 to finance this $3,251,000 Project. This Project will improve the WWTP, including installation of a new influent pump station, influent screening, grit removal, temporary splitter box, UV disinfection and appurtenances.

The final Grant amount will be established after the City's budget is finalized. If the City has any questions regarding this commitment, please contact Angela K. Chestnut at the 304-558-4607 (X201).

Sincerely,

Kenneth Lowe, Jr.

cc: Mike Johnson, P.E., DEP (w/o enclosure) *(via e-mail)*
Region V-Mid-Ohio Valley Regional Council *(via e-mail)*
Craig Richards, P.E., Burgess & Niple *(via e-mail)*
Samme Gee, Esq., Jackson Kelly *(via e-mail)*

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

City of Pennsboro

By: _____

Its: _____

Date: _____

180 Association Drive • Charleston, WV 25311 • Phone (304) 558-4607 • Fax (304) 558-4609

www.wvinfrastructure.com

West Virginia Infrastructure & Jobs Development Council

Public Members:
Kenneth Lowe, Jr.
Shepherdstown
Dwight Calhoun
Petersburg
Dave McComas
Prichard
Ron Justice
Morgantown

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

June 18, 2008

The Honorable Wesley Merritt
Mayor, City of Pennsboro
422 Main Street
Pennsboro, West Virginia 26415

Re: City of Pennsboro
Sewer Project 2004S-839a
REVISED

Dear Mayor Merritt:

The West Virginia Infrastructure and Jobs Development Council (the "Council") has reviewed the City of Pennsboro's (the "City") revised preliminary application regarding its proposed project to construct the first phase of a multi-phase project to bring the City into compliance with DEP Administrative Order Number 4873 (the "Project").

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

Upon consideration of the revised preliminary application, the Infrastructure Council recommends that the City utilize a $200,000 Small Cities Block Grant design grant, pursue a $1,300,000 Small Cities Block Grant, an $825,000 State Tribal Assistance Grant and Rural Utility Service assistance of $438,900 to fund this $2,763,900 project. Please contact the West Virginia Development Office at 558-4010 and the Rural Utility Service office at 420-6666 for specific information on the steps the City needs to follow to apply for these funds. **Please note that this letter <u>does not</u> constitute funding approval from this agency.**

If you have any questions regarding this matter, please contact Jeff Brady at 558-4607.

Sincerely,

Kenneth Lowe, Jr.

cc: Mike Johnson, P.E., DEP
Debbie Legg, WVDO
Virginia McDonald, RUS
Region V Planning & Development Council
Craig Richards, Burgess & Niple, Inc.

Public Members:
Kenneth Lowe, Jr.
Shepherdstown
ight Calhoun
.etersburg
Dave McComas
Prichard
Ron Justice
Morgantown

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

June 11, 2008

The Honorable Wesley Merritt
Mayor, City of Pennsboro
422 Main Street
Pennsboro, West Virginia 26415

Re: City of Pennsboro
Sewer Project 2004S-839a

Dear Mayor Merritt:

The West Virginia Infrastructure and Jobs Development Council (the "Council") has reviewed the City of Pennsboro's (the "City") revised preliminary application regarding its proposed project to construct the first phase of a multi-phase project to bring the City into compliance with DEP Administrative Order Number 4873 (the "Project").

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

Upon consideration of the revised preliminary application, the Infrastructure Council recommends that the City utilize a $200,000 Small Cities Block Grant design grant, pursue a $1,300,000 Small Cities Block Grant, an $825,000 State Tribal Assistance Grant and Rural Utility Service assistance of $38,900 to fund this $2,763,900 project. Please contact the West Virginia Development Office at 558-4010 and the Rural Utility Service office at 420-6666 for specific information on the steps the City needs to follow to apply for these funds. **Please note that this letter <u>does not</u> constitute funding approval from this agency.**

If you have any questions regarding this matter, please contact Jeff Brady at 558-4607.

Sincerely,

Kenneth Lowe, Jr.

Enclosure
cc: Mike Johnson, P.E., DEP (w/o enclosure)
Debbie Legg, WVDO (w/o enclosure)
Virginia McDonald, RUS
Region V Planning & Development Council
Craig Richards, Burgess & Niple, Inc.

CITY OF PENNSBORO

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

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On this 25th day of September, 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 City of Pennsboro (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 $2,801,000, numbered BR-1, issued as a single, fully registered Bond, and dated September 25, 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 Clerk 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 $140,050, 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: Carol A. Cummings
Its: Authorized Representative

CITY OF PENNSBORO

By: Wesley S. Morris
Its: Mayor

05.29.09
696750.00002

CH5188297.1

CITY OF PENNSBORO

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 25th day of September, 2009, there are delivered to you herewith:

(1) Bond No. BR-1, constituting the entire original issue of the City of Pennsboro Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), in the principal amount of $2,801,000, dated September 25, 2009 (the "Bonds"), executed by the Mayor and the Clerk of the City of Pennsboro (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 August 17, 2009, and a Supplemental Resolution duly adopted by the Issuer on September 21, 2009 (collectively, the "Bond Legislation");

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

(3) Executed counterparts of the ARRA Assistance Agreement for the Series 2009 B Bonds, dated September 25, 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 $140,050, 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.

CITY OF PENNSBORO

By: _____
Its: Mayor

05.29.09
696750.00002

SPECIMEN

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

No. BR-1 $2,801,000

KNOW ALL MEN BY THESE PRESENTS: The 25th day of September, 2009, that the CITY OF PENNSBORO, a municipal corporation and political subdivision of the State of West Virginia in Ritchie County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of TWO MILLION EIGHT HUNDRED AND ONE THOUSAND DOLLARS ($2,801,000),or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2010, to an including March 1, 2020 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 September 25, 2009.

This Bond is issued (i) to pay 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) 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 August 17, 2009, and a Supplemental Resolution duly adopted by the Issuer on September 21, 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.

THIS BOND IS ISSUED ON A PARITY AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S SEWER REVENUE BONDS, SERIES 1993 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED APRIL 12, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $375,000 (THE "SERIES 1993 BONDS" OR THE "PRIOR BONDS").

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, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2009 B Bonds Reserve Account"), 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, including the Prior 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, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar (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.

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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 CITY OF PENNSBORO has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Clerk, and has caused this Bond to be dated the day and year first written above.

[SEAL]

Mayor

SPECIMEN

ATTEST:

Clerk

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: September 25, 2009.

THE HUNTINGTON NATIONAL BANK,
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $140,050	September 25, 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

City of Pennsboro

10 Years

Dated Date 9/25/2009

Delivery Date 9/25/2009

Period Ending	Debt Service	Series B Principal Forgiveness
9/29/2009		
6/1/2010	-70,025	-70,025
9/1/2010	-70,025	-70,025
12/1/2010	-70,025	-70,025
3/1/2011	-70,025	-70,025
6/1/2011	-70,025	-70,025
9/1/2011	-70,025	-70,025
12/1/2011	-70,025	-70,025
3/1/2012	-70,025	-70,025
6/1/2012	-70,025	-70,025
9/1/2012	-70,025	-70,025
12/1/2012	-70,025	-70,025
3/1/2013	-70,025	-70,025
6/1/2013	-70,025	-70,025
9/1/2013	-70,025	-70,025
12/1/2013	-70,025	-70,025
3/1/2014	-70,025	-70,025
6/1/2014	-70,025	-70,025
9/1/2014	-70,025	-70,025
12/1/2014	-70,025	-70,025
3/1/2015	-70,025	-70,025
6/1/2015	-70,025	-70,025
9/1/2015	-70,025	-70,025
12/1/2015	-70,025	-70,025
3/1/2016	-70,025	-70,025
6/1/2016	-70,025	-70,025
9/1/2016	-70,025	-70,025
12/1/2016	-70,025	-70,025
3/1/2017	-70,025	-70,025
6/1/2017	-70,025	-70,025
9/1/2017	-70,025	-70,025
12/1/2017	-70,025	-70,025
3/1/2018	-70,025	-70,025
6/1/2018	-70,025	-70,025
9/1/2018	-70,025	-70,025
12/1/2018	-70,025	-70,025
3/1/2019	-70,025	-70,025
6/1/2019	-70,025	-70,025
9/1/2019	-70,025	-70,025
12/1/2019	-70,025	-70,025
3/1/2020	-70,025	-70,025
	-2,801,000	**-2,801,000**

(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:

_____

STEPTOE & JOHNSON PLLC
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

September 25, 2009

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

City of Pennsboro
Pennsboro, 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 City of Pennsboro (the "Issuer"), a municipal corporation and political subdivision of the State of West Virginia in connection with its $2,801,000 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 September 25, 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 issued in the principal amount of $2,801,000, in the form of one bond, bearing no interest, registered as to principal only to the Authority, with 100% of the principal being forgiven as set forth in the ARRA Assistance Agreement. 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 August 17, 2009, as supplemented by the

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Huntington, WV • Columbus, OH

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Supplemental Resolution duly adopted by the Issuer on September 21, 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, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's Sewer Revenue Bonds, Series 1993, dated April 12, 1993, issued in the original aggregate principal amount of $375,000 in accordance with the terms of the Bonds and the Bond Legislation.

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

05.29.09
696750.00002

RICHARD A. HAYHURST
ATTORNEY AT LAW
POST OFFICE BOX 86
PARKERSBURG, WEST VIRGINIA 26102-0086

414 MARKET STREET

AREA CODE 304
TELEPHONE 422-1445
FACSIMILE 428-2674

September 25, 2009

City of Pennsboro
Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program/ARRA)

City of Pennsboro
Pennsboro, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to the City of Pennsboro in Ritchie County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, an ARRA Assistance Agreement for the Bonds, dated September 25, 2009, 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"), a Bond Ordinance duly enacted by the Issuer on August 17, 2009, as supplemented by a Supplemental Resolution duly adopted by the Issuer on September 21, 2009 (collectively, the "Bond Legislation"), a Petition of the Sanitary Board duly adopted on September 25, 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.

I am of the opinion that:

1. The Issuer has been duly created and is validly existing as a municipal corporation and political subdivision of the State of West Virginia, and the Mayor, Recorder and members of the Council of the Issuer and the Sanitary Board 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. The Sanitary Board has been duly created by the Issuer and is validly existing as a sanitary board under the Act.

10A

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 parties thereto, constitutes a valid and binding agreement 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 and 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 orders and approvals from the Public Service Commission of West Virginia, including the Recommended Decision dated August 10, 2009, which became Final Order on August 18, 2009 per Commission Order Waiving Exception Period dated August 13, 2009, in Case No. 09-0826-S-SCN, and CPA Affidavit dated September 18, 2009 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 Order has expired prior to the date hereof without any appeal. The time for appeal of the Commission Order has not expired prior to the date hereof. However, the Issuer has certified that it does not intend to appeal such Order and the other parties to such Order have stated that they do not intend to appeal such Order. 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.

6. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders and approvals from the West Virginia Department of Environmental Protection, the West Virginia Infrastructure and Jobs Development Council 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 prescribing such rates and charges.

7. To the best of my knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bonds, 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. All successful bidders have provided the drug-free workplace affidavit as evidence of compliance with the provisions of Article ID, Chapter 21 of the West Virginia Code and made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy. Based upon my review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, I am of the opinion 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

RICHARD A. HAYHURST
ATTORNEY AT LAW

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,

Richard A. Hayhurst.

RAH/23.

RICHARD A. HAYHURST
ATTORNEY AT LAW
POST OFFICE BOX 86
PARKERSBURG, WEST VIRGINIA 26102-0086

414 MARKET STREET

AREA CODE 304
TELEPHONE 422-1445
FACSIMILE 428-2674

September 25, 2009,
Our 38th Year.

The City of Pennsboro,
422 Main Street,
Pennsboro, West Virginia 26362.

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

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

Steptoe & Johnson, PLLC,
Post Office Box 1588,
Charleston, West Virginia 253

Ladies and Gentlemen:

In re: Final Title Certificate for Phase I, Wastewater Collection and Treatment Improvement Project for The City of Pennsboro.

We are counsel to The City of Pennsboro, Ritchie County, West Virginia (the "Issuer") in connection with a proposed project to construct Phase 1 of Improvements to the Wastewater Collection and Treatment System (the "Project"). We provide this final title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Department of Environmental Protection (the "DEP") for the Project. Please be advised of the following:

1. We are of the opinion that the Issuer is a duly created and validly existing municipality possessed with all the powers and authority granted to municipalities under the laws of the State of West Virginia to construct, operate and maintain the Project as approved by the DEP.

2. The Issuer has obtained all necessary permits and approvals for the construction of the Project.

3. We have investigated and ascertained the location and are familiar with the legal description of the necessary sites, including easements and rights of way, required for the Project as set forth in the plans for the Project prepared by Burgess & Niple, Inc., the consulting engineers for the Project.

4. We have examined the records on file in the Office of the Clerk of the County Commission of Ritchie County, West Virginia, the county in which the Project is to be located, and, in our opinion, the Issuer has acquired legal title or such other estate or interest in all of the necessary site components for the Project, including all easements and rights of way sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the Project.

5. No properties are required to be acquired by eminent for the purpose of construction, operation and maintenance of the Project on the subject properties.

6. All deeds, easements and rights of way which have been acquired to date by the Issuer have been duly recorded in the Office of the Clerk of the County Commission of Ritchie County to perfect the legal title to and interest of the Issuer.

Very truly yours,

Richard A. Hayhurst.

RAH/23.

CITY OF PENNSBORO

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. RATES
12. SIGNATURES AND DELIVERY
13. BOND PROCEEDS
14. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE
15. PUBLIC SERVICE COMMISSION ORDERS
16. SPECIMEN BOND
17. CONFLICT OF INTEREST
18. PROCUREMENT OF ENGINEERING SERVICES
19. CLEAN WATER ACT
20. EXECUTION OF COUNTERPARTS

We, the undersigned MAYOR and CLERK of the City of Pennsboro in Ritchie County, West Virginia (the "Issuer"), and the undersigned COUNSEL to the ISSUER, hereby certify this 25th day of September, 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 August 17, 2009 and the Supplemental Resolution duly adopted September 21, 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.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2009 B Bonds as to liens, pledge, source of and security for payment, being the Issuer's Sewer Revenue Bond, Series 1993 (United States Department of Agriculture), dated April 12, 1993, issued in the original aggregate principal amount of $375,000 (the "Series 1993 Bonds" or the "Prior Bonds").

The Series 2009 B Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has obtained (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests, if any, of the Prior Bonds are met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2009 B Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the terms and provisions of the Prior Ordinance and no default exists with respect to the Prior Bonds.

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 and Oaths of Members

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

Evidence of Small Cities Block Grant

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is the "City of Pennsboro." The Issuer is a municipal corporation in Ritchie 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
Wesley S. Merritt, Mayor	July 1, 2007	June 30, 2011
Mary E. Mahaney, Councilmember	July 1, 2007	June 30, 2011
Robert Riggs, Councilmember	July 1, 2009	June 30, 2013
Geraldine Gatrell, Councilmember	June 18, 2009	June 30, 2011
James Vogt, Councilmember	July 1, 2009	June 30, 2013

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

Name
Wesley S. Merritt, Chairman
Mary Jane Allen
Gregory Herrick, P.E.

The duly appointed Clerk is Rebecca Talkington and acting Counsel to the Issuer is Richard Hayhurst, Esquire, Pennsboro, 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 Series 2009 B Bonds shall bear no interest. The Authority at the direction of the DEP shall forgive the principal amount of the Series 2009 B Bonds. Principal forgiveness shall begin on June 1, 2010 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 to the ARRA Assistance Agreement and incorporated herein by reference.

The Series 2009 B Bonds are fully registered in the name of the Authority.

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 B Bonds.

The Issuer shall notify the Authority and the Council 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.

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. RATES: The Issuer has duly enacted a sewer rate ordinance on May 19, 2009, 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.

12. 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 Clerk did officially cause the official seal of the Issuer to be affixed upon said Bonds and to be attested by his or her manual signature, and the Registrar did officially authenticate and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the ARRA Assistance Agreement. Said official seal of the Issuer is also impressed above the signatures appearing on this certificate.

13. BOND PROCEEDS: On the date hereof, the Issuer received $140,050 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.

14. 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 The Pennsboro News, a qualified newspaper published and of general circulation in the City of Pennsboro, 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 21st day of September, 2009, at 7:00 p.m., at the City Hall and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the Clerk of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

15. 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 August 10, 2009, which became Final Order on August 18, 2009per Commission Order Waiving the Exception Period dated August 13, 2009, and Affidavit of Certified Public Accountant dated September 18, 2009 in Case No. 09-0826-S-SCN, 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.

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

17. 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.

18. 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.

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

20. 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.

WITNESS our signatures and the official seal of the City of Pennsboro on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
	Mayor
	Clerk
	Counsel to the Issuer

05.29.09
696750.00002

EXHIBIT A

ARRA Assistance Agreement 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.

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.

CITY OF PENNSBORO

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

CERTIFICATE OF ENGINEER

I, Michael P. Davis, Registered Professional Engineer, West Virginia License No. 16347, of Burgess & Niple, Inc., Parkersburg, West Virginia, hereby certify this 24th day of September, 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 City of Pennsboro (the "Issuer"), to be constructed in Ritchie 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 August 17, 2009, as supplemented by the Supplemental Resolution of the Issuer adopted September 21, 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 September 24, 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 Richard Hayhurst, Esquire, 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 the Vendor's 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, Smith Cochran & Hicks 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 Issuer will extend service to no new customers.

[Remainder of Page Intentionally Blank]

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

BURGESS & NIPLE, INC.

(SEAL)

Michael P. Davis, P.E.
West Virginia License No. 16347

696750.00002

9/14/2009

SCHEDULE B
for
CITY OF PENNSBORO
WASTEWATER TREATMENT PLANT IMPROVEMENTS, PHASE 1 PROJECT

A. COST OF PROJECT	TOTAL	ARRA	SCBG	IJDC
1 Construction for WWTP Improvements, Phase 1	2,485,561.00	2,485,561.00	---	---
2 Technical Services Burgess & Niple				
a. Planning	13,902.69	---	13,902.69	---
b. Design	279,930.00	25,532.00	161,897.81	92,500.00
c. Basic	99,975.00	99,975.00	---	---
d. Special/Other Services	19,995.00	19,995.00	---	---
e. Resident Project Representative	104,300.00	104,300.00	---	---
f. Sub, O&M, borings, etc.	49,336.31	40,137.00	9,199.50	---
3 Legal & Fiscal				
Legal	7,500.00			7,500.00
Accountant	7,500.00			7,500.00
PSC Attorney	7,500.00			7,500.00
4 Administrative	30,000.00	5,000.00	15,000.00	10,000.00
5 Sites & Other Lands	---	---	---	---
6 ROW / Lands	---	---	---	---
7 Prefunded Reserve	---	---	---	---
8 DOH Inspection Fee, DEP Fees etc.....	---	---	---	---
9 Contingency	124,278.00	---	---	124,278.00
10 TOTAL of Lines 1 through 9	**3,229,778.00**	**2,780,500.00**	**200,000.00**	**249,278.00**
B. COST OF FINANCING				
11 Capitalized Interest	---	---	---	---
12 Other Costs	---	---	---	---
a. Registrar Fees	500.00	500.00	---	---
b Bond Counsel	20,000.00	20,000.00	---	---
13 Total Cost of Finaincing	20,500.00	20,500.00	---	---
14 TOTAL PROJECT COST (Line 10 plus Line 13)	**3,250,278.00**	**2,801,000.00**	**200,000.00**	**249,278.00**

C. SOURCES OF OTHER FUNDS	
15 Federal Grants (SCBG)	200,000.00
16 State Grants (IJDC)	249,278.00
17 Other Grants	0.00
18 Any Other Source	0.00
19 TOTAL GRANTS Lines 15 through 18	449,278.00
20 Size of Bond Issue (Line 14 minus Line 19)	**2,801,000.00**

City of Pennsboro — *Date* 9-15-09

Burgess & Niple, Inc. — *Date* 9-14-09

RECEIVED
SEP 17 2009
SRF PROGRAM

Smith, Cochran & Hicks, P.L.L.C.
Certified Public Accountants Oak Hill Charleston Montgomery
405 Capitol Street • Suite 908 • Charleston, WV 25301 • 304-345-1151 • Fax 304-346-6731

September 25, 2009

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

City of Pennsboro
Pennsboro, 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 the City of Pennsboro (the "Issuer"), enacted May 19, 2009, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Burgess & Niple, 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 of the Issuer (the "System"), will pay all reasonable expenses of operation and maintenance of the System, provide for funding the Renewal and Replacement Account, and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service, if any, on the Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA) (the "Bonds"), to be issued in the original aggregate principal amount of $2,801,000 to the West Virginia Water Development Authority on the date hereof, and all other obligations secured by or payable from the revenues of the System, on a parity with the Bonds, including the Issuer's Sewer Revenue Bonds, Series 1993 (the "Prior Bonds").

It is our further opinion that (i) the Net Revenues for the Fiscal Year following the year in which the Bonds are issued will not be less than 120% of the average annual debt service on the Bonds and the Prior Bonds and (ii) the Net Revenues actually derived from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of the Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Bonds, will not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for principal of and interest on the Bonds and the Prior Bonds.

Very truly yours,

Smith Cochran & Hicks

Smith, Cochran & Hicks, PLLC

CITY OF PENNSBORO

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

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Mayor of the City of Pennsboro in Ritchie County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of $2,801,000 Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), of the Issuer, dated September 25, 2009 (the "Bonds" or the "Series 2009 B Bonds"), on this 25th day of September, 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 August 17, 2009, as supplemented by Supplemental Resolution duly adopted by the Issuer on September 21, 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 September 25, 2009, the date on which the Bonds are being physically delivered in exchange for an initial advance of $140,050, 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 September 25, 2009, to the Authority, pursuant to a ARRA Assistance Agreement dated September 25, 2009, by and among

the Issuer, the Authority and the DEP, for an aggregate purchase price of $2,801,000 (100% of par), at which time, the Issuer received $140,050 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 April 1, 2011. The acquisition and construction of the Project is expected to be completed by October 1, 2010.

8. The total cost of the Project is estimated at $3,250,278. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2009 B Bonds	$2,801,000
IJDC Grant	$ 249,278
Small Cities Block Grant	$ 200,000
Total Sources	$3,250,278

USES

Costs of Acquisition and Construction of the Project	$3,229,778
Costs of Issuance	$ 20,500
Total Uses	$3,250,278

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.

[Remainder of Page Intentionally Left Blank]

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

CITY OF PENNSBORO

By: _____
Its: Mayor

05.29.09
696750.00002

CITY OF PENNSBORO

RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES

Pursuant to Chapter 6, Article 9A, Section 3 of the West Virginia Code, the Council of the City of Pennsboro 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 Recorder at the front door or bulletin board of the City 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 Recorder 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 Recorder at the front door or bulletin board of the City 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 20th day of July, 2009.

Mayor

[SEAL]

ATTEST:

Rebecca R. Salkington

Recorder

AMENDING CHARTER

The first step in amending a city charter is to have a proposed ordinance. This ordinance must then be adopted in accordance with the following requirements.

1) The proposed ordinance shall be read by title at not less than two meetings of the governing body with at least one week intervening between each meeting unless a member of the governing body demands that the ordinance be read in full at one or both meetings. If the demand is made, the ordinances shall be read.

2) At least five days before the meeting at which a proposed ordinance is to be finally adopted the governing body shall cause notice of the proposed adoption of the proposed ordinance to be published as a Class I-O legal advertisement - published once. The requirements for the newspaper are the same as those for the Class II-O legal advertisement which are listed later on. The notice shall state the subject matter, title of ordinance, date, time and place of the proposed final vote on adoption and the place or places within a municipality where the proposed ordinance may be inspected by the public. A reasonable number of copies should be made available. The notice should also advise that interested parties may appear at the meeting and be heard with respect.

3) The proposed ordinance shall not be materially amended at same meeting at which it is finally adopted.

A city may require any or all ordinances to be published in a newspaper prior to the adoption, may specify other additional requirements for this section, or may prescribe a procedure for the enactment of the ordinance in greater detail than prescribed in this section, but the city shall not, except in an emergency, have the power to lessen or reduce the requirements (1, 2, & 3). Nothing could be found in Pennsboro's Charter concerning any additional requirements the city has for ordinances concerning amending the charter. Therefore, it would seem that legally steps 1, 2, and 3 need to be done.

After the proposed ordinance has been adopted, the governing body of the city shall set out in its proper record books the proposed amendment. The body shall set a date, time, and place for a public hearing which shall not be less than thirty days after the date of the first publication hereinafter required.

The proposed amendment together with a notice of the date, time, and place shall be published as a Class II-0 legal advertisement - published once a week for two successive weeks with no publication on Sunday. The published amendment must be made in the area for which a legal advertisement is required by the law or court to be made.

The newspaper that will print the proposed amendment must be published regularly for at least fifty weeks during the calendar year, and the newspaper must have been published for at least one year preceding the date on which the ad is delivered. The paper must be at least four pages and

have a title. If there is no qualified paper in the region or if the paper will not publish the legal advertisement, then the advertisement must be published in a paper outside the region that meets the above requirments.

The cost for publication is:

4¢ per word if newspaper circulation is less than 10,000

5¢ per word if newspaper circulation is between 10,000 and 40,000

5 3/4¢ per word if newspaper circulation is greater than 40,000

The legal ad will cost the full amount the first time it is published and 60% of the cost the second time.

The published notice shall state that the proposed amendment will be considered on date, time, place, and that any qualified voter or freeholder of the city may appear and file objections, in writing, and also that if no objections are filed, or if they are filed and withdrawn within ten days, the governing body shall adopt the amendment as an amendment to the charter, and cause a copy of the amendment, ordinance, and transcript of the proceedings to be certified to the Clerk of the House of Delegates, as keeper of the rolls, and to be recorded in the office of Clerk of the County Court. The same shall be preserved by the Clerk of the House of Delegates as an authentic public record. The amendment shall take effect on the effective date specified in the notice.

If on the date, time, and place there are objections, the governing body may abandon the proposed amendment or may submit it at the next regular municipal election or at a special election if the governing body by the

affirmative vote of 2/3 of its members determine that the special election is needed.

Notice of these elections, if needed, shall state date, hours, and the proposed amendment or say where a copy of it may be obtained. The notice must abide by the same publication requirements previously listed.

Those amendments approved at an election by the majority of votes take effect on the date declaration of results are made by the governing body and entered in the minutes of the governing body. One copy of the amendment, along with the declaration of results, shall be certified forthwith by the recorder of the city to the Clerk of the House of Delegates as Keeper of the rolls, and another to the Clerk of the County Court for recording in the office of such Clerk of the County Court. It shall be preserved by the Clerk of House of Delegates as an authentic public record.

If the majority of votes are against the amendment, the same shall not be proposed again for at least one year.

CHARTER

THE CITY OF PENNSBORO

ENROLLED BILL

(H. B. No. 180)

AN ACT to incorporate the city of Pennsboro, in the county of Ritchie, state of West Virginia, and fixing its corporate limits and prescribing and defining the powers and duties of said city.

Be it enacted by the Legislature of West Virginia:

Section 1. That the inhabitants of so much of the county of Ritchie as is within the bounds prescribed by section two of this act, and their successors, shall be and remain and they are hereby constituted a body politic and corporate, by the name of "The City of Pennsboro", and as such, and by that name shall have perpetual succession and a common seal and may contract and be contracted with, sue and be sued, plead and be impleaded, answer and be answered unto, and may purchase, take, receive, hold and use goods and chattels, lands and tenements, and choses in action, or any interest, right or estate therein, either for the proper use of said city, or in trust for the benefit of any person or corporation therein; and the same may grant, sell, convey, transfer, let and assign, pledge, mortage, charge and encumber in any case,

and in any manner, in which it would be lawful for a private individual so to do, subject to the limitations and provisions of the constitution of the state; and may have and use a common seal and alter and renew the same at pleasure; and generally shall have all the rights, franchises, capacities and powers appertaining to like corporations in this state, and shall have and succeed to all powers, franchises and immunities, rights and privileges, which were conferred upon or belonged or appertained to the town of Pennsboro by virtue of any act or acts of the general assembly of the state of Virginia or of the legislature of this state heretofore passed; and shall have all the rights, privileges, capacities and powers provided by chapter forty-seven of the code of West Virginia, as contained in the edition of the year one thousand eight hundred and ninety-nine, and for which provision is not herein otherwise expressly made.

Sec. 2. The corporation limits and boundary of said city of Pennsboro shall be as follows:

Beginning at a pine tree, corner of Brown's heirs and Saddler's lands, N. 15°30' E. 47 poles to jack oak at Doyles corner; N. 43° 30' W. 77 poles to white oak, Wells knob; N. 55° E. 46 poles to jack oak in Wells & McDougal corner; N. 20° W. 46 poles to persimmon in Well's fence; N. 3° 30' E. 43 poles to sycamore at McDougal's foot bridge; N. 11° W. 663 poles to a post corner McDougal's fence; N. 89° 30' W. 66 poles

to pine tree in Geor. Boyce line; N. 84° W. 127 poles to white oak in Sill land near where Monroe lives; S. 63° W. 47 poles to oak near Bonds creek road; S. 86° 30' W. 166 poles to corner in Wilson and Sill lands; S. 21° W. ~~16~~ 138 poles to jack oak in woods in M. H. Davis land; S. 44° 30' W. 160 poles to telephone pole on Kelly's point; S. 51° 30' W. 38 poles to telephone pole near pike at fair grounds; S. 62° 15' W. 12 poles to west corner post at pike entrance to fair grounds; S. 18° 15' W. 38 poles to black walnut by fair ground fence; S. 13° 30' W. 32 poles to west end fair ground fence; S. 63° E. 17 poles to sugar corner fair ground fence; N. 70° E. 30 poles to post in fair ground fence; N. 89° E. 165 poles to stone in Thomas land; N. 69° E. 157.5 poles to stone in Wilson's field; S. 57° E. 40 poles to stone in Wilson's field; S. 56° E. 48 poles to Flesher's line; S. 23° W. 30 poles to Flesher's corner; S. 73° 30' 20 poles to Flesher's & Taylor's corner; N. 22° 30' E. 24 poles to a stone in Flesher's line; S. 56° E. 7.7 poles to persimmon in Taylor's land; S. 63° E. 47 poles to stone in Taylor's land; S. 89° 30' 89 poles to stone in Taylor's land; N. 1° W. 78 poles to white oak on ridge in Brown's line; N. 12° 30' W. 12.4 poles to pine at beginning.

Section.3. All general and special laws of the state of West Virginia, governing cities and towns and now applicable and not inconsistent with the provisions of this act, shall

apply to and govern the city of Pennsboro. All by-laws, ordinances and resolutions lawfully passed and in force in the town of Pennsboro under its former organization, and not inconsistent herewith, shall remain in force throughout the city of Pennsboro until altered or repealed by the council elected under the provisions of this act. All rights and property heretofore vested in said town of Pennsboro are continued and preserved and its title and property vested in said city of Pennsboro and no right or liability either in favor or against the said town of Pennsboro at the time this act takes effect, and no suit or prosecution of any kind shall be effected by such change, unless otherwise provided for in this act.

Sec. 4.

~~Sec. 11.~~ Regular meetings of the Council shall be held at such times and on such days as may be established by resolution of Council. Special meetings may be called from time to time by the Mayor or by any two Councilmen. The Mayor shall preside at all meetings of Council and shall supervise the work of all departments and report to the Council or its action all matters requiring attention from any department. The superintendent of the department of accounts and finance shall preside at Council and shall assume the duties of Mayor in the event of a vacancy in office of Mayor, or the absence or the inability of the Mayor to perform the functions of that office.

REV. 9/8/98 MV.

SECTION 4

that the remainder of such term shall not exceed two (2) years duration, but if such vacancy occurs at a time in which more than two (2) years remain in such term, a special election shall be held on the first Tuesday after the first Monday in May of the odd-numbered year which shall constitute the second year of such term, and the person elected at such election shall take office on the first day of July immediately following, and serve as Mayor for the remaining two (2) year portion of the four (4) year term for which his predecessor was elected. Any interim vacancies shall be filled by appointment in the fashion prescribed by the general law.

Section 5. Elections

a. Regular municipal elections for municipal offices shall be held in each odd-numbered year on such day as shall be provided by the Legislature by general law.

b. Special municipal elections may be held at such time and date as may be specified in the ordinance calling the same.

c. All municipal elections shall be conducted from a single municipal precinct, the voting place of which shall be the Clerk's Office in the City Building, unless the Council shall, by resolution, fix a different place for a particular election. Voting in such precinct shall be administered by a single board of commissioners and clerk regardless of the size of the precinct.

d. Municipal offices shall be filled on an at-large basis by a single non-partisan general election, candidates for which shall be determined by the filing of nominating petitions in a form prescribed by resolution of Council and available from the Clerk. Petitions may be obtained from the Clerk no earlier than April 15 next preceding the election and must be filed with the Clerk no later than May 1 next preceding the election.

e. Applications for voting on an absentee basis by mail may be received by the Clerk no earlier than May 1 next preceding any election for municipal office, and no earlier than thirty-five days next preceding any special municipal election, or at such other time as the Council may determine by the ordinance calling such special election.

f. In all respects not inconsistent with the provisions hereof, the general law of the State of West Virginia, as the same may be amended from time to time hereafter, shall govern municipal elections, except that all duties assigned either to the Circuit Clerk or the County Clerk therein shall be performed by the City Clerk. In the event of a disparity between the general law and the provisions hereof, the provisions hereof shall govern.

eligible thereto to fill such vacancy during the balance of the unexpired term.

Said officers shall be nominated and elected at large. Said officers shall qualify and their terms of office shall be two years and until their successors are elected and qualified, and shall begin on the second Monday after the election; the terms of office of the mayor and councilmen of the said town of Pennsboro in office at the beginning of the terms of office of the mayor and councilmen of the city of Pennsboro first elected under the provisions of this act shall then cease and determine, and the terms of office of all other elective or appointive officers in force in such city, except as hereinbefore provided, shall cease and determine as soon as the council shall by resolution so declare.

Sec. 5. Candidates to be voted for at general municipal elections at which the mayor and four councilmen are to be elected under the provisions of this act shall be nominated by a primary election, and no other names shall be printed upon the general ballot except those selected in the manner hereinafter prescribed. The primary election for such nominations shall be held on the second Tuesday preceding the general municipal election. The judges of election shall be appointed by council for the general municipal election, who shall be then judges of the primary election, and it shall be held at the same place so far as possible, and the

SECTION 5 -
CHANGED IN APRIL 1985,
NOVEMBER 1989 SECTION 5 "A"

polls shall be closed and opened at the same hours, with the same clerks as are required for said general municipal election. The Council of the town of Pennsboro as constituted at the time shall appoint the judges for the first primary and general election to be held hereunder.

Any person desiring to become a candidate for mayor or councilman shall, at least ten days prior to said primary election, file with the city clerk a statement of such candidacy, in substantially the following form:

State of West Virginia, Ritchie County, ss:

I, _____, being first duly sworn, say that I reside at _____ street, city of Pennsboro, county of Ritchie, state of West Virginia; that I am a qualified voter therein; that I am a candidate for nomination to the office of (mayor or councilman) to be voted upon at the primary election to be held on the _____ Tuesday of _____, 1915, and I hereby request that my name be printed upon the official primary ballot for nomination by such primary election for such office.

Signed _____

Subscribed and sworn to (or affirmed) before me by _____, on this _____ day of _____, 1915.

Signed _____

And shall at the same time file therewith the petition of at least twenty-five qualified voters requesting such candidacy.

Each petition shall be verified by one or more persons as to the qualifications and residence, with street location of each of the persons so signing the said petition, and the said petition shall be in subtantially the following form:

Petition Accompanying Nominating Statement

The undersigned, duly qualified electors of the city of Pennsboro, and residing at the places set opposite our respective names hereon, do hereby request that the name of (name of candidate) be placed on the ballot as candidate for nomination for (name of office) at the primary election to be held in such city on the first Tuesday in May, one thousand nine hundred and fifteen. We further state that we know him to be a qualified elector of said city and a man of good moral character and qualified, in our judgment, for the duties of such office.

Names of Qualified Electors. Number. Street.

Immediately upon the expiration of the time of filing the statements and petitions for candidates the said clerk of the municipality shall cause to be published in proper form the names of the persons as they are to appear upon the primary ballot, which publication may be made by posting copies thereof at four of the most public places in the said city of Pennsboro, including the place of meeting of the council and the mayor's office at least ten days immediately

preceding the primary election, or if the council so order by publication in the last issue of some newspaper published in said city of Pennsboro immediately preceeding such primary election; and the said clerk shall thereupon cause the primary ballots to be printed authenticated with a fac simile of his signature. Upon the said ballot the names of the candidates for mayor, arranged alphabetically, shall first be placed, with a square to the left of each name and immediately below the words "Vote for One." Following these names, likewise arranged in alphabetical order, shall appear the names of the candidates for councilmen, with a square at the left of each name, and below the names of such candidates shall appear the words "Vote for Four." The ballots shall be printed upon plain substantial white paper, and shall be headed:

CANDIDATES FOR NOMINATION FOR MAYOR AND COUNCILMEN OF THE CITY PENNSBORO, AT THE PRIMARY ELECTION.

But shall have no party designation or mark whatever. The ballots shall be in substantially the following form:

(Place a cross in the square preceding the names of the parties you favor as candidates for the respective offices.)

OFFICIAL PRIMARY BALLOTT.

Candidates for nomination for mayor and councilmen of the city of Pennsboro at the primary election.

For Mayor.

(Name of Candidates)

(Vote for One)

For Councilmen.

(Name of Candidates)

(Vote for Four)

Official ballot, attest:

Signature _____

City Clerk

Having caused said ballots to be printed, the said city clerk shall cause to be delivered at each polling place a number of said ballots equal to twice the number of votes cast in such polling precinct at the last general election for mayor. The persons who are qualified to vote at the general municipal election shall be qualified to vote at such primary election, and challenges can be made by not more than two persons, to be appointed at the time of opening the polls by the judges of election; and the law applicable to challenges at a general municipal election shall be applicable to challenges made at such primary election. Judges of election shall, immediately upon the closing of the polls, count the ballots and ascertain the number of votes cast in such precinct for each of the candidates, and make return thereof to the city clerk within six hours of the closing of the polls. On the day following the said primary election the said clerk

shall canvass said returns so received from all the polling precincts, and shall make and publish in some newspaper of said city at least once, the result thereof. Such canvass by the city clerk shall be publicly made. The two candidates receiving the highest number of votes for mayor shall be the candidates and the only candidates whose names shall be place d upon the ballot for mayor at the next succeeding general municipal election, and the eight candidates receiving the highest number of votes for councilmen, or all such candidates if less than eight, shall be the candidates and the only candidates whose names shall be placed upon the ballot for councilmen at such municipal election. In the event of the death or resignation of a nominee before the election, the candidate receiving the next highest number of votes at the primary shall be placed on the ticket in his stead.

The ballot at such general municipal election shall be in the same general form as for such primary election, so far as applicable, and in all elections in such city the election precincts, voting places and announcing of results, shall be the same as by law provided for election of officers in said city, so far as the same are applicable to and not inconsistent with the provisions of this act.

Sec. 6. Said city shall be governed by a council, consisting of the mayor and four councilmen chosen as provided

in this act, each of whom shall have the right to vote on all questions coming before the council. Three members of the council shall constitute a quorum, and the affirmative of three members shall be necessary to adopt any motion, resolution or ordinance, or pass any measure. Upon every vote the yeas and nays shall be called and recorded, and every motion, resolution or ordinance shall be reduced to writing and read before the vote is taken thereon. The mayor shall preside at all meetings of the council; he shall have no power to veto any measure, but every resolution or ordinance passed by council must be signed by the mayor, or by three councilmen, and be recorded before the same shall be in force.

Sec. 7. The council shall have and possess, and the council and its members shall exercise all executive, legislative and judicial powers conferred upon cities, towns and villages by the general law of the state and by this act.

The executive and administrative powers, authority and duties in said city shall be distributed into and among five departments as follows:

1. Department of public affairs.

2. Department of accounts and finance.

3. Department of public safety.

4. Department of streets, parks, public improvements and public property.

5. Department of waterworks and sewers.

The council shall determine the powers and duties to be performed by, and assign them to the appropriate department, shall prescribe the powers and duties of officers and employees, may assign particular offices and employees to one or more of the departments; may require an officer or employee to perform duties in two or more departments; and may make such other rules and regulations as may be necessary or proper for the efficient and economical conduct of the business of the city.

Sec. 8. The mayor shall be superintendent of the department of public affairs and ex-officio city judge and the council shall, at the first regular meeting after election of its members, designate by majority vote, one councilman to be superintendent of the department of accounts and finance, one to be superintendent of the department of public safety, one to be superintendent of the department of streets, parks, public improvements and public property, and one to be superintendent of the department of waterworks and sewers; but such designation shall be changed whenever it appears that the public service would be benefited thereby.

The council may, at the first meeting, or as soon as practicable thereafter, elect by a majority vote the following officers; a clerk, solicitor, city civil engineer, city physician, chief of police, chief of fire department,

city collector, street commissioner, and such other officers and assistants as shall be provided for by ordinance and necessary to the proper and efficient conduct of the affairs of the city. Any officer, assistant or employee elected, appointed, or employed, may be removed at any time by a vote of a majority of the members of the council, under such regulations as council may prescribe.

Sec. 9. The council shall have power from time to time to create, fill and discontinue offices and employments other than herein prescribed, according to their judgment of the needs of the city, and may, by resolution or otherwise, prescribe, limit or change the compensation of such officers or employees.

Sec. 10. The mayor and council shall have an office or offices and their total compensation shall be as follows: The annual salary of the mayor shall not exceed two hundred dollars, and each councilman one hundred dollars, which salaries shall be payable in equal monthly installments.

Every other officer or assistant shall receive such salary or compensation as the council shall by ordinance provide payable in equal monthly installments.

The salary or compensation of all other employees of said city shall be fixed by the council, and shall be payable monthly or at such shorter periods as the council may determine.

Sec. 11. Regular meetings of the council shall be held on the second Monday after the election of councilmen, and thereafter at least twice each month. The council shall provide

REV. 9/8/98 MJ.

Sec. 11. Regular meetings of the Council shall be held at such times and on such days as may be established by resolution of Council. Special meetings may be called from time to time by the Mayor or by any two Councilmen. The Mayor shall preside at all meetings of Council and shall supervise the work of all departments and report to the Council or its action all matters requiring attention from any department. The superintendent of the department of accounts and finance shall preside at Council and shall assume the duties of Mayor in the event of a vacancy in office of Mayor, or the absence or the inability of the Mayor to perform the functions of that office.

to the council for its action in all matters requiring attention in any department. The superintendent of the department of accounts and finance shall be vice-president of the council, and in case of vacancy in the office of mayor, or the absence or inability of the mayor, shall perform the duties of the mayor.

Sec. 12. Every ordinance or resolution appropriating money or ordering any street improvement or sewer, or making or authorizing the making of any contract, or granting any or public places in the city for any purpose, shall be complete in franchise or right to occupy or use the streets, highways, bridges the form in which it is finally passed, and remain on file with the city clerk for public inspection at least one week before the final passage or adoption thereof. No franchise or right to occupy or use the streets, highways,

bridges or public places in said city shall be granted, renewed or extended, except by ordinance. No franchise shall be granted for a period exceeding thirty years, and no amendment or addition thereto shall extend beyond the termination of the original franchise.

Sec. 13. No officer or employee of said city shall accept or receive, directly or indirectly, from any person, firm or corporation operating within the territorial limits of said city, any interurban railway, street railway, gas works, water works, electric light or power plant, heating plant, telegraph line or exchange, or other business using or operating under a public franchise, any frank, free pass, free ticket or free service, or accept or receive directly or indirectly, from any such person, firm or corporation, any other service upon terms more favorable than is granted to the public generally. Any violation of the provisions of this section shall be a misdemeanor, and every such contract or agreement shall be void.

Such prohibition of free transportation shall not apply to policemen or firemen in uniform; nor shall any free service to city officials heretofore provided by any franchise or ordinance be effected by this section.

Sec. 14. Council may create by appointment, a civil service board, consisting of three residents of the city, whose duty it shall be to examine all applicants for positions

in the departments of police, fire, and such other departments as may be ordained, including the chiefs of such department; and shall define the terms and prescribe the duties of the members of said board. All appointments to said departments shall be made from applicants recommended by said board, and when appointed, shall be removed only for cause.

Sec. 15. The council may each month print a pamphlet from a detailed itemized statement of all receipts and expenses of the city and a summary of its proceedings during the preceding month, and furnish printed copies thereof to the state library, the weekly newspapers of the city, and to persons who shall apply therefor at the office of the city clerk. At the end of each year the council shall cause a full and complete examination of all books and accounts of the city to be made by competent accountants and shall publish the results of such examination in the manner above provided for publication of statements of monthly expenditures.

Sec. 16. If, at the beginning of the term of office of the first council elected in said city under the provisions of this act, the appropriations for the expenditures of the Town of Pennsboro for the current fiscal year have been made, the council of the city of Pennsboro shall have power by ordinance, to revise, repeal or change said appropriations,

and to make new and other and different appropriations.

Sec. 17. In the construction of this act the following rules shall be observed, unless such construction would be inconsistent with the manifest intent, or repugnant to the context.

1. When an officer, or officers, is named in any law referred to in this act it shall when applied to said city be construed to mean the officer or officers having the same functions or duties under the provisions of this act, or under ordinances passed under authority thereof.

2. The word "franchise" shall include every special privilege in the streets, highways and public places of the city, whether granted by the state or the city, which does not belong to citizens generally by common right.

3. The word "electors" shall be construed to mean persons qualified to vote for elective offices at regular municipal elections.

Sec. 18. Council shall have the right to levy and collect taxes on property, real and personal, and to grant licenses, and to assess and collect taxes on such licenses as are taxable under the laws of the State of West Virginia and not to exceed in amount and rate the tax on such licenses imposed by the State of West Virginia.

Sec. 19. The Council of the city may cause any street or alley or part thereof, to be paved with cobblestone, brick, concrete or other suitable material, curbing and suitable sidewalks laid, and a sewer or sewers to be constructed therein, or to have such paving done without the construction of such sewer or sewers, or a sewer or sewers constructed without such paving under such regulations not inconsistent with the provisions of this section as shall be fixed by council, upon the lowest and best terms to be obtained by the council by advertising for bids or proposals therefor, and the whole cost thereof (which cost shall include the cost and expense of preliminary and other survey, of printing and publishing all notices required to be published in relation thereto, and the cost of construction) shall be assesed to and paid by the owners of the lots or fractional parts of lots abutting or bounding on that part of the street so improved, paved or sewered and against the said lots or fractional parts of lots in proportion to the number of feet frontage owned by each. Provided, that the cost of paving and sewering intersections of streets and public alleys, and the proportion for lots, or parts of lots, or property against which no assessment can be legally made shall be assessed to and paid by the city; and, provided further, in case of a street or public alley occupied by street car tracks or other railway, the cost of paving the space between the rails, and for two feet additional outside each rail, shall be assessed to and paid by the street car or other railway company

The amount assessed against such abutting lots or fractional parts of lots to the said abutting property owners, the city and street car or other railway company as aforesaid, respectively, shall be paid in ten payments as follows: that is to say, one-tenth of said amount, together with the interest at the rate of six per centum per annum from the acceptance of the work by the city on the whole assessment, shall be paid to the city on or before the first day of May next after the work is accepted, and a like one-tenth, together with interest for one year upon the whole amount remaining unpaid on or before the first day of May in each succeeding year thereafter until all has been paid, and each installment shall bear interest at the rate of six per centum per annum from the date of its maturity, and moreover, to each installment remaining unpaid on the days herein specified for the payment thereof a penalty of ten per centum per annum of said installment shall be added and collected by the city: Provided, however, that any abutting property owner, the city, or street car or other railway company, against whom or against whose property, said assessments have been made, shall have the right at any time after such assessments shall have been certified to the superintendent of the department of accounts and finance for collection, as

hereinafter provided, to anticipate any or all of such assessments and shall be allowed to pay the face of said assessments with interest only to the time of payment.

(a) The sum or sums of money so assessed, together with the interest and penalty aforesaid, for paving or sewering, or other said improvements, shall be a lien upon the lots or fractional parts of lots and in case of a street car or other railway company, upon its tracks for the distance of said improvement, from the date of acceptance of said work by the city and said lien shall have priority over all other liens except those for taxes due to the state and shall be on a parity with the taxes and assessments due the city; Provided, however, such assessments shall after six months from the date of the acceptance of said work cease to constitute liens against said property as against creditors of the owners thereof or purchasers thereof for value without actual notice of such liens, unless within said six months a statement of said liens, certified as hereinafter provided, shall be filed for record in the office of the clerk of the county court of the county in which said property is situated.

(b) Immediately upon the acceptance of the work by the city, the clerk shall make out bills for the sums of money assessed as aforesaid against the property owners

aforesaid, and shall at the same time make and certify a statement of the assessments aforesaid in which shall be given the location of the real estate affected, the name of the owner, the date of the acceptance of said work by the city, and the amount of the assessment, and it shall be sufficient description of the location of said real estate to describe it as abounding or abutting upon said improvement included between the terminal of said improvement, or by the description by which it is described on the land books of the county in which said lots are situated, and shall cause said statement to be immediately recorded in the office of the clerk of the county court of the county in which such property is situate, and it shall be and it is hereb y made the duty of said county clerk, to record said statement in the trust deed books in the name of the city and also in the name of each person against whose property said assessments appear therein, and said clerk shall be paid for recording said statement the same fees as for recording deeds of trust. And said bills for said assessment shall be charged to the superintendent of the department of accounts and finance and immediately certified and delivered to him for collection.

(c) Upon default being made in the payment of any installment of the assessments aforesaid, the same shall be immediately reported to the council by the superintendent of the department of accounts and finance, and the council shall forthwith refer the same to such officer as it may deem expendient, for collection, and payment of said delinquent installments, with the interest and the penalty aforesaid, may be enforced in all respects as provided for the collection of city taxes, or the lien aforesaid may be enforced by a suit in equity in the name of the city in any court having jurisdiction thereof, and the said delinquent assessments or any installment thereof, may be collected from the person against whom the same were assessed by action at law before any court or a justice of the peace having jurisdiction thereof.

(d) Immediately upon the completion and acceptance of any of the work aforesaid, constructed by virtue of this section, the council shall direct the clerk to cause to be prepared a notice which shall name and describe the location of the street or alley upon which said work shall have been constructed; give the names of the owners of each lot or fractional part of lot abutting or abounding upon said street or alley, and also the name of any street car or other railroad company having tracksupon said street or alley, where

assessed for paving, if known, and if the name or names of the owner or owners of any lot or fractional part of lot, or of such street car or other railway company, are unknown, such lot or fractional part of lot, or of such street car or other railway company, are unknown, such lot or fractional part of lot, and the location of the paving assessed to such street car or other railway company, shall be described with reasonable certainty so that the same may be identified. The number of feet that each lot or a fractional part of lot abuts upon said street or alley, the street or alley intersections and all abutting city property and property not liable to assessments, and the number of square feet or yards to be paid for by said street car or other railway company, also the amount assessed against each lot or fractional part of lot, and also the amount assessed against the city, as well as the amount assessed against any street car or other railway company, shall be stated. Said notice shall cite all owners of lots or fractional parts of lots abutting upon the streets or alleys aforesaid, and also said street car or other railway company, to appear before the council at a regular meeting thereof within thirty days from the first publication thereof and show cause, if any they can, why the assessments aforesaid should not become final, which notice shall be published once a week for two successive weeks in one or more newspapers of general

circulation published in said city, and affidavits of the publishers of such notices showing the publishing thereof as herein provided, shall be recorded in the minutes of the council at their next regular meeting. The council shall, upon the request of any one or more of the owners of said lots or fractional parts of lots, or of said street car or other railway company, appoint a day for hearing the grievances of said owner or owners, street car or other railway company, and may correct or amend any assessment made against them or any one of them for good cause shown. The clerk shall give notice to all persons claiming to be injured by said assessment of the time and place of hearing said matters, which meeting shall be held within ten days after the expiration of the thirty days mentioned in said notice. The council may adjourn the hearing from time to time. In case any owner or owners of abutting property, or street car or other railway company, fail to complain of any damage or injury they may have, or may suffer, by reason of the assessments aforesaid and shall fail to appear for the purpose of having the same corrected, the assessments as to them as laid shall be final, and the said assessments shall then be recorded in the book in which the plans, specifications, profiles and estimates are recorded under the provisions hereof and next

following the same therein. The finding of said council shall be conclusive. The rights conferred by this section are cumulative and shall not be exhausted as to any particular street or alley by reason of having been once exercised.

(e) Whenever it is deemed expedient by the council to provide for paving, sidewalks, curbing or sewers in or upon any of the streets or alleys of the city by the issue and sale of bonds of the city, it shall by resolution entered of record on the minutes of its proceedings so declare and thereupon the city shall be and is hereby empowered and authorized to issue its bonds for the purpose of providing for paving, laying sidewalks, curbing the streets and alleys of the city and of constructing sewers for the purpose of drainage of said city, in anticipation of special assessments to be made upon the property abutting upon the streets and alleys so improved, and upon street car and other railway companies occupying the said streets or alleys with tracks, and such bonds may be in such amount as shall be sufficient to pay the entire cost and expense of said improvements for which such special assessments are levied and said city is also authorized to sell said bonds as a whole issue at one time or in separate lots or parcels from time to time as the council may deem advisable; provided, that the price for which they are sold shall not be below the par value of said bonds; said bonds shall be payable

not to exceed ten years from the date of the issue thereof and shall bear interest at not to exceed six per centum per annum, payable semi-annually, and in the issuance and sale of said bonds the city shall be governed by all the restrictions and limitations of the constitution of this state and so far as not in conflict with the provisions of this section by the restrictions and limitations of this state with respect to the issuance and sale of other bonds; and the assessments, as paid and provided for in this section, shall be applied to the liquidation of said bonds and the interest thereon and to that end paid to the trustees of the sinking fund of the city to be by them invested for the best advantage of the city, anything in any general or special statute of the state notwithstanding to the contrary; and if by reason of penalties collected with the delinquent installments there may be any balance after the payment of said bonds and all accrued interest and costs, the said balance shall be turned into the city treasury to the credit of a fund for street improvements for said city and used for no other purpose; provided, that the city shall not by the sale or issue of such bonds cause the aggregate of its debts of every kind whatsoever to exceed five per centum of the value of the taxable property therein; and provided, further, that nothing herein contained shall be construed as authorizing said city to

become indebted in any other manner or for any other purpose to an amount including the existing indebtedness in the aggregate exceeding two and one-half per centum of the value of the taxable property therein (so long as are inforce the provisions of chapter fifty-one of the acts of one thousand nine hundred and five), except for the purpose of constructing paving, curbing, sewers and sidewalks in and upon the streets and alleys of said city, as provided in this section; nor shall said city make such issue and sale without at the same time providing for the collection of a direct annual tax sufficient to pay annually the interest on such debt and principal thereof within and not exceeding ten years.

All of the assessments, interest and penalties thereon collected from the abutting property owners on account of the grading, paving, sewering or otherwise improving the streets and alleys of the city, under the provisions of this section, shall annually be applied t o the annual tax required to pay the interest on such debt and such principal within and not exceeding ten years; and in the event that the assessments, interest and penalties so collected should not amount to a sum sufficient to pay annually the interest on such debt and the principal thereof within and not exceeding ten years, then the council shall collect so much of said levy as will pay annually the interest on such debt and the principal thereof within and not exceeding ten years.

(f) It is especially provided that no bonds shall be issued under the provisions of this section, unless and until the question of issuing said bonds shall have first been submitted to a vote of the people of the city and shall have received three-fifths of all votes cast at said election for or against the same. The council may provide by ordinance for an election every year, at which the question shall be submitted to the people as to whether the city shall be authorized to issue bonds for the purpose and under the provisions of this section, to an amount not to exceed in the ensuing year the amount recommended by said ordinance for said ensuing year; but the ordinance providing for said election need not specify in detail the location of the improvements contemplated to be paid for during the ensuing year out of said aggregate issue authorized for said year, and notwithstanding the provisions of sections two, three and six of chapter forty-seven-a of the code, it shall be sufficient description of the purpose for which said election is held if the ordinance calling the same shall cite that it authorizes the council to issue bonds for the purpose of paving, curbing, laying sidewalks or sewering the streets and alleys of said city, at such times as the council shall see fit during the ensuing year ending on the _____day of _____ 19____, to an amount not exceeding in the

aggregate during said year the sum of $_____, and when the council shall have once been authorized by a vote of the people to issue bonds for the said purpose and to a sum not to exceed the amount set forth in the ordinance calling the said election, no further election shall be necessary for the issuing of bonds during said ensuing year up to the amount stipulated in said ordinance calling said election, but the council shall from time to time during the ensuing year by ordinance authorize the issue of said bonds, in such sums, and for the improvements of such streets and alleys as to it may seem best, providing the requirements of this section are complied with. The aggregate amount of bonds authorized by said annual election shall not be exceeded during said year unless and except the same be authorized by a special election held at a subsequent time in said year and duly called as provided for the calling of the annual bond election.

The provisions of chapter forty-seven-a of the code concerning bond elections, shall, so far as they are not in conflict with the provisions of this section, apply to the annual bond elections and special bond elections herein provided for.

(g) Whenever it is deemed expedient by the council to provide for paving, curbing, sidewalks or sewers, or any other improvements on any streets or alleys of the

city in whole or in part, either by the issue of bonds theretofore authorized as herein provided or by the appropriation of funds in the city treasury not otherwise appropriated, it shall first, having on file in the city clerk's office plans, specifications, profiles and extimates of the proposed improvements, showing the proposed grade of the street or alley after completion with reference to the abutting property, declare by resolution the expediency of the work; and said plans, specifications, profiles and estimates shall be open to public inspection.

Said resolution shall determine the general nature of the work, the method of paying for the same, whether by an appropriation from the funds in the treasury not otherwise appropriated or whether or not the bonds theretofore as in this section provided should be issued and sold; said resolution shall be complete in the form in which it is finally passed and remain on file with the city clerk for public inspection one week before the final passage or adoption thereof. Immediately upon the filing of said resolution with the clerk, a copy thereof shall be published once in some newspaper of general circulation, in the city, and affidavits of the publishers of said newspapers, showing the publication, with a copy of the notice attached, shall be spread upon the minutes of the meeting of the council at which said resolution is passed or adopted. Said resolution

shall be posted at the front door of the building where the council holds its meetings on the day it is filed as aforesaid, and affidavit thereof shall be recorded in the minutes of the council at the next regular meeting.

Until said resolution is finally passed, the council shall hear all persons interested in relation thereto at any regular meeting and if it decides to proceed with the improvement, it shall pass said resolution. And then said council may by resolution correct or amend said plans, specifications, profiles and estimates and approve and adopt them as so corrected, or as they were in their original form as to it may seem proper; and said plans, specification, profiles and estimates shall be forthwith filed with the city clerk and by him recorded and attested in a well bound and permanent record book to be kept in his office. Both resolutions shall be in effect when finally passed.

The council may then adopt and pass ordinances for said purposes which shall provide generally the character of the work, make appropriation for the payment thereof, fix the time of payment of assessments therefor and the manner of giving notice of said assessments and correcting the same and providing advertisements for bids for said work; shall also set forth the streets and alleys upon

which the property is to be assessed for said improvements, the general character of materials which may be bid upon therefor, the mode of payment and a reference to the resolution theretofore passed for said improvements, giving the date of passage, and a statement of the intention of council to proceed therewith in accordance with said resolution and in accordance with the plans, specifications, estimates and profiles provided for such improvements.

In any case where the council has determined to pay for any of such improvements out of the funds in the city treasury not otherwise appropriated, and not by the issuance and sale of bonds, said ordinance shall be passed and become effective as provided in section twelve of this chapter; but in the event it has been determined to issue and sell bonds for the payment thereof, the said ordinance shall not be effective so as to permit any contract to be made or work to be done thereunder until, in addition to the compliance with the provisions of section twelve, the fact that the proceeds of the sale of said bonds have been received by the city shall be certified by the superintendent of the department of accounts and finance and such certificate entered upon the minutes of the council.

(h) When the whole or any portion of the improvement authorized by this section passes through or by a public market, space, park, cemetry, structure for the fire department, water works, school building, infirmary, market house, work house, hospital, house of refuge, bridge, gas works, public prison, church or any other public structure or public grounds, within said city, and belonging to said city, or to the county, state, board of education, or any church association or eleemosynary institution, the council shall direct the proper proportion of the cost and expenses of the improvements to be certified to the clerk of the county court of the county wherein said city is situated and the same shall thereupon be recorded by said clerk in the proper trust deed book and shall thereupon become a lien against said property and collectable as other assessments are collected against individuals under this section and it shall be the duty of those persons having charge of the fiscal affairs of any such property or institution to make proper arrangements for meeting of such assessments when due and payable.

(i) All acts or parts of acts, whether special or general, which are in conflict with the provisions of this act, so far as they may apply to the city of Pennsboro are to that extent repealed, except that said city may continue to lay sidewalks as the Town of Pennsboro have authorized, and nothing herein contained

shall in anywise effect or impair the right of the city to enforce the collection of any and all paving, sewering or sidewalk bills or assessments, heretofore issued, laid or levied by said city of Pennsboro or Town of Pennsboro, by virtue of any authority had by it.

Sec. 20. The council shall have authority to levy and collect an annual tax for the purpose hereinafter specified, on the personal property and real estate in said city, subject to taxation by said city, not to exceed in any year ten cents on every hundred dollars of the assessed value thereof; the money so collected shall be used for the purpose of paying its proportion of the cost of paving or re-paving streets and alleys and for constructing sewers in said city, in accordance with the provisions of section nineteen of this act; and such money shall in no case be used to pay for repairs of streets or alleys or sewers, or for any other purpose than for paving or for sewers. Provided, that the total levy for all purposes shall not exceed the total levy authorized by law.

Sec. 21. The holder of any elective office may be removed at any time by the electors qualified to vote for a successor of such incumbent. The procedure to effect the removal of an incumbent of an elective office shall be as follows; A petition signed by electors entitled to vote for a successor to the incumbent sought

to be removed, equal in number to at least twenty per centum of the entire vote for all candidates for the office of mayor cast at the last preceding general municipal election, demanding an election of a successor of the person sought to be removed shall be filed with the city clerk, which petition shall contain a general statement of the grounds for which the removal is sought. The signatures to the petition need not be appended to one paper, but each signer shall add to his signature his place of residence giving the street number. One of the signers of each such paper shall make oath before an officer competent to administer oaths, that the statements therein made are true as he believes, and that each signature to the paper appended is the genuine signature of the person whose name it purports to be. Within ten days from the date of filing such petition, the city clerk shall examine and from the voters' register ascertain whether or not said petition is signed by the requisite number of qualified electors, and if necessary, the council shall allow him extra help for that purpose, and he shall attach to said petition his certificate showing the result of said examination. If by the clerk's certificate, the petition is shown to be insufficient, it may be amended within ten days from the date of said certificate. The clerk shall, within ten days after such amendment, make like examination of the amended petition and if his certificate

shall show the same to be insufficient, it shall be returned to the person filing the same; without prejudice however, to the filing of a new petition to the same effect. If the petition shall be deemed to be sufficient, the clerk shall submit the same to the council without delay. If the petition shall be found to be sufficient, the council shall order and fix a date for holding said election, not less than thirty days nor more than forty days from the date of the clerk's certificate to the council that a sufficient petition is filed.

The council shall make, or cause to be made, publication of notice and all arrangements for holding such election, and the same shall be conducted, returned and the result thereof declared in all respects as are other city elections. So far as applicable except as otherwise herein provided, nominations hereunder shall be made without the intervention of a primary election by filing with the clerk at least ten (10) days prior to said special election, a statement of candidacy accompanied by a petition signed by electors entitled to vote at said special election, equal in number to at least ten per centum of the entire vote for all candidates for the office of mayor at the last preceeding general municipal election, which said statement of candidacy and petition shall be substantially in the form set out in section five of this act, so far as the same is applicable, substituting the word "special" for the word

"primary" in such statement and petition and stating therein that such person is a candidate for election instead of nomination.

The ballot for such special election shall be in substantially the following form:

OFFICIAL BALLOT.

Special election for the balance of the unexpired term of _____ as _____

For _____

(Vote for one only)

(Name of candidate)

( ) _____

( ) _____

Name of present incumbent.

Official ballot, attest:

Signature _____

City Clerk

The successor of any officer so removed shall hold office during the unexpired term of his predecessor. Any person sought to be removed may be a candidate to succeed himself, and unless he requests otherwise in writing, the clerk shall place his name on the official ballot without nomination. In any such removal election, the candidate receiving the highest number of votes shall be declared elected. At such election, if some other person than the incumbent receives the highest number of

votes, the incumbent shall thereupon be deemed removed from office upon qualification of his successor. In case the party who received the highest number of votes should fail to qualify within ten days after receiving notification of election, the office shall be deemed vacant. If the incumbent receives the highest number of votes, he shall continue in office. The said method of removal shall be cumulative and additional to the methods heretofore provided, by law.

Sec. 22. Any proposed ordinance may be submitted to the council by petition signed by electors of the city equal in number to the percentage hereinafter required. The signatures, verification, authentication, inspection, certification, amendment and submission of such petition shall be the same as provided for petition under section twenty-one hereof.

If this petition accompanying the proposed ordinance be signed by electors equal in number to twenty per centum of the votes cast for all candidates for mayor at the last preceeding general election, and contains a request that the said ordinance be submitted to a vote of the people, if not passed by the council, such council shall either

(a) Pass such ordinance without alteration within twenty days after attachment of the clerk's certification to the accompanying petition, or,

(b) Forthwith, after the clerk shall attach to the petition accompanying such ordinance his certificate of sufficiency, the council shall call a special election, unless the general municipal election is fixed within ninety days thereafter, and at such special election or general municipal election, if one is so fixed, such ordinance shall be submitted without alteration to the vote of the electors of said city. But if the petition is signed by not less than ten per centum of the electors, as above defined, then the council shall within twenty days, pass said ordinance without change, or submit the same at the next general city election occurring not more than ninety days nor less than thirty days after the clerk's certificate of sufficiency is attached to said petition.

The ballots used when voting upon said ordinance shall contain these words: "For the ordinance," and "Against the ordinance" (stating the nature of the proposed ordinance). If the majority of the qualified electors voting on the proposed ordinance shall vote in favor thereof, such ordinance shall thereupon become a valid and binding ordinance of the city; and any ordinance proposed by petition or which shall be adopted by a vote of the people, cannot be repealed or amended except by a vote of the people. Any number of proposed

ordinances may be voted upon at the same election in accordance with the provisions of this section; but there shall not be more than one special election in any period of six months for such purpose.

The council may submit a proposition for the repeal of any such ordinance or for amendments thereto, to be voted upon at any succeeding general city election; and should such proposition so submitted receive a majority of the votes cast thereon at such election, such ordinance shall thereby be repealed or amended accordingly. Whenever any ordinance or proposition is required by this act to be submitted to the voters of the city at any election, the city clerk shall cause such ordinance or proposition to be published once in one of the newspapers published in said city; such publication to be not more than twenty or less than five days before the submission of such proposition or ordinance to be voted on.

Sec. 23. No ordinance or franchise passed by the council, except when otherwise required by the general laws of the state or by the provisions of this act, except an ordinance for the immediate preservation of the public peace, health or safety, which shall contain a statement of its urgency, shall go into effect before ten days from the time of its final passage, and not then unless within two days after passage, Sunday and

holidays excepted, copies of the same shall have been posted and left posted at the mayor's office and at least three other public places in the said city. And if during said ten days a petition signed by electors of the city, equal in number to at least twenty per centum of the entire vote cast for all candidates for mayor at the last preceeding general municipal election at which a mayor was elected, protesting against the passage of such ordinance or franchise, be presented to the council, the said ordinance or franchise shall thereupon be suspended from going into operation, and it shall be the duty of the council to reconsider such ordinance or franchise, and if the same is not entirely repealed, the council shall submit the ordinance, or franchise, as is provided by sub-section "B" of section twenty-two of this act, to the vote of the electors of the city, either at the general election or at a special municipal election to be called for that purpose, and such ordinance or franchise shall not go into effect or become operative unless a majority of the qualified electors voting on the same shall vote in favor thereof. Said petition shall be in all respects in accordance with the provisions of said section twenty-two except as to the percentage of signers, and be examined and certified to by the clerk in all respects as therein provided.

Sec. 24. Petitions provided for in this act shall be signed by none but legal voters of the city. Each petition shall contain, in addition to the names of the petitioners, the street on which the petitioner resided, his age and length of residence in the city. It shall also be accompanied by the affidavit of one or more legal voters of the city, stating that the signers thereof were, at the time of signing, legal voters of said city, and the number of signers at the time the affidavit was made.

(Passed February 9th, 1915. In effect from passage. Approved by the Governor February 16th, 1915)

Oath of Office

State of West Virginia,
County of Ritchie, to-wit:

I, **Wesley S. Merritt**, upon my oath do hereby solemnly swear that I will support, protect, preserve and defend the Constitution and laws of the United States of America, the Constitution and laws of the State of West Virginia and the Charter and ordinances of The City of Pennsboro, and faithfully perform my duties as **Mayor** of The City of Pennsboro for the four-year term beginning July 1, 2007, to the best of my skill, ability and judgment, **So Help Me, God.**

Wesley S. Merritt

Taken, subscribed and sworn to before me this, the 30th day of June, 2007.

Mary Jane Allen
Notary Public

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
MARY JANE ALLEN
304 PARK DRIVE
PENNSBORO, WV 26415
My Commission Expires May 15, 2011

Oath of Office

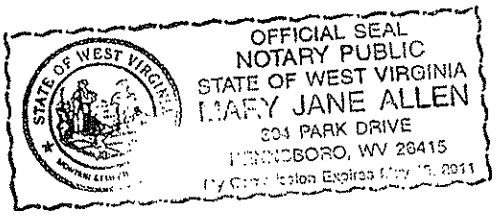
State of West Virginia,
County of Ritchie, to-wit:

I, Rebecca R. Talkington, upon my oath do hereby solemnly swear that I will support, protect, preserve and defend the Constitution and laws of the United States of America, the Constitution and laws of the State of West Virginia and the Charter and Ordinances of The City of Pennsboro, and faithfully perform my duties as The City Clerk/Recorder of The City of Pennsboro effective January 1, 2008, to the best of my skill, ability and judgment, So Help Me, God.

Rebecca R. Talkington
Rebecca R. Talkington

Taken, subscribed and sworn to before me this, the 17th day of December 2007.

Mary Jane Allen
Mary Jane Allen, Notary Public



Oath of Office

State of West Virginia,
County of Ritchie, to-wit:

I, Mary E. Mahaney, upon my oath do hereby solemnly swear that I will support, protect, preserve and defend the Constitution and laws of the United States of America, the Constitution and laws of the State of West Virginia and the Charter and ordinances of The City of Pennsboro, and faithfully perform my duties as Member of Council of The City of Pennsboro for the four-year term beginning July 1, 2007, to the best of my skill, ability and judgment, So Help Me, God.

Mary E. Mahaney

Mary E. Mahaney

Taken, subscribed and sworn to before me this, the 22nd day of June, 2007.

Mary Jane Allen

Notary Public

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
MARY JANE ALLEN
304 PARK DRIVE
PENNSBORO, WV 26415
My Commission Expires May 15, 2011

Oath of Office

State of West Virginia,
County of Ritchie, to-wit:

I, **James Vogt**, *upon my oath do hereby solemnly swear that I will support, protect, preserve and defend the Constitution and laws of the United States of America, the Constitution and laws of the State of West Virginia and the Charter and Ordinances of The City of Pennsboro, and faithfully perform my duties as* **Member Of Council** *of The City of Pennsboro for the four-year term beginning July 1, 2009, to the best of my skill, ability and judgment,* **So Help me, God.**

James Vogt

James Vogt

Taken, subscribed and sworn to before me this, the 30th day of June, 2009, by **James Vogt.**

Rebecca R. Talkington

Notary Public, Rebecca R. Talkington

My commission expires: June 30, 2013

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
REBECCA R. TALKINGTON
139 McDougal Drive
Pennsboro, West Virginia 26415
My Commission Expires June 30, 2013

Oath of Office

State of West Virginia,
County of Ritchie, to-wit:

I, **Robert Riggs**, *upon my oath do hereby solemnly swear that I will support, protect, preserve and defend the Constitution and laws of the United States of America, the Constitution and laws of the State of West Virginia and the Charter and Ordinances of The City of Pennsboro, and faithfully perform my duties as* **Member Of Council** *of The City of Pennsboro for the four-year term beginning July 1, 2009, to the best of my skill, ability and judgment,* **So Help me, God.**

Robert Riggs

Robert Riggs

Taken, subscribed and sworn to before me this, the 30th day of June, 2009, by **Robert Riggs**.

Rebecca R. Talkington

Notary Public, Rebecca R. Talkington

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
REBECCA R. TALKINGTON
139 McDougal Drive
Pennsboro, West Virginia 26415
My Commission Expires June 30, 2013

My commission expires: June 30, 2013

Oath of Office

State of West Virginia,
County of Ritchie, to-wit:

I, **Geraldine Gatrell**, *upon my oath do hereby solemnly swear that I will support, protect, preserve and defend the Constitution and laws of the United States of America, the Constitution and laws of the State of West Virginia and the Charter and Ordinances of The City of Pennsboro, and faithfully perform my duties as* **Member Of Council** *of The City of Pennsboro for the two-year term beginning July 1, 2009, to the best of my skill, ability and judgment,* **So Help me, God.**

Geraldine Gatrell

Geraldine Gatrell

Taken, subscribed and sworn to before me this, the 1st day of July, 2009, by **Geraldine Gatrell.**

Rebecca R. Talkington

Notary Public, Rebecca R. Talkington

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
REBECCA R. TALKINGTON
139 McDonald Drive
Pennsboro, West Virginia [illegible]
My Commission Expires June [illegible], 2013

My commission expires: June 30, 2013

Oath of Office
City of Pennsboro Sanitary Board

I, GREGORY L. HERRICK, P.E., being first duly sworn, do hereby promise, on my oath, to support the Constitution of the United States and the Constitution of the State of West Virginia, and faithfully discharge the duties of member of the Sanitary Board of The City of Pennsboro, to the best of my skill and judgment, so help me God.

GREGORY L. HERRICK, P.E.

Taken, subscribed and sworn to before me this, the 20th day of July, 2009, by GREGORY L. HERRICK, P.E.

Notary Public

OFFICIAL SEAL
NOTARY PUBLIC, STATE OF WEST VIRGINIA
RICHARD A. HAYHURST
P. O. BOX 86 PARKERSBURG, WV 26102-0086
MY COMMISSION EXPIRES MAY 22, 2012

Oath of Office
City of Pennsboro Sanitary Board

I, MARY JANE ALLEN, being first duly sworn, do hereby promise, on my oath, to support the Constitution of the United States and the Constitution of the State of West Virginia, and faithfully discharge the duties of member of the Sanitary Board of The City of Pennsboro, to the best of my skill and judgment, so help me God.

Mary Jane Allen

MARY JANE ALLEN

Taken, subscribed and sworn to before me this, the 20th day of July, 2009, by MARY JANE ALLEN.

Richard A. Hayhurst

Notary Public

OFFICIAL SEAL
NOTARY PUBLIC, STATE OF WEST VIRGINIA
RICHARD A. HAYHURST
P. O. BOX 86 PARKERSBURG, WV 26102-0086
MY COMMISSION EXPIRES MAY 22, 2012

Oath of Office
City of Pennsboro Sanitary Board

I, WESLEY S. MERRITT, being first duly sworn, do hereby promise, on my oath, to support the Constitution of the United States and the Constitution of the State of West Virginia, and faithfully discharge the duties of member of the Sanitary Board of The City of Pennsboro, to the best of my skill and judgment, so help me God.

WESLEY S. MERRITT

Taken, subscribed and sworn to before me this, the 20th day of July, 2009, by WESLEY S. MERRITT.

Notary Public

OFFICIAL SEAL
NOTARY PUBLIC, STATE OF WEST VIRGINIA
RICHARD A. HAYHURST
P. O. BOX 86 PARKERSBURG, WV 26102-0086
MY COMMISSION EXPIRES MAY 22, 2012

An Ordinance of The City of Pennsboro
Creating the Sanitary Board of The City of Pennsboro

Whereas, the City of Pennsboro (the "City") 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 City Council of The City of Pennsboro that Article 4 of Chapter 11 of the Pennsboro Municipal Code be, and it is hereby, amended to add Section 11-25 thereto, which is in words and figures as follows, to-wit:

11-25. Creation and Operation of Sanitary Board

A. The Council of the City (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.

B. Composition; Chairman; Appointment of Members. The Sanitary Board shall be composed of the Mayor of the City, 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 City, 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.

C. 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 Subsection K hereof, below.

D. 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 City for any compensation or expenses so incurred.

E. Powers, Duties and Limitations.

1. 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 City.

2. 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.

3. 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 City 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.

4. 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.

5. 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.

F. 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.

G. 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.

H. 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.

J. 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.

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

Date of First Reading:	_____
Action on First Reading:	_____
Date of Second Reading:	July 20, 2009
Action on Second Reading:	_____

CITY OF PENNSBORO

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

PETITION OF SANITARY BOARD

The Sanitary Board of the City of Pennsboro (the "City") hereby petitions the Council of the City to enact an ordinance directing that sewer revenue bonds of the City 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 $3,500,000 for the purpose of financing a portion of the cost of acquisition and construction of certain additions, betterments and improvements to the sewerage system of the City, together with all necessary appurtenances, and the costs of issuance and related costs.

Dated this 20th day of July, 2009

SANITARY BOARD OF THE CITY OF PENNSBORO

By: Wesley S. Marrot
Its: Chairman

05.29.09
696750.00002

AN ORDINANCE OF THE CITY OF PENNSBORO ESTABLISHING AND FIXING RATES, CHARGES AND DELAYED PENALTY CHARGES FOR SERVICE FOR CUSTOMERS OF THE WASTEWATER TREATMENT SYSTEM OF THE CITY OF PENNSBORO, RITCHIE COUNTY, WEST VIRGINIA

WHEREAS, the City of Pennsboro, West Virginia, at present operates a Municipal Sewer System in accordance with the provisions of Section 5 of Article 12 of Chapter 8 with the Code of West Virginia of 1931, as amended; and

WHEREAS, the Council of said City of Pennsboro has determined that the rates at present being charged for sewer service from such municipal sewer system are not adequate to defray the costs of operation thereof; and

WHEREAS, the Council of the City of Pennsboro, being the governing body thereof, determines that the schedule of charges set forth on this ordinance are just, reasonable, applied without unjust discrimination or preference and based primarily upon the costs of providing such service; now, therefore,

BE IT ORDAINED by the Council of the City of Pennsboro as follows:

ARTICLE I - Statutory Authority, Findings and Determinations.

Section 1. This ordinance is enacted pursuant to the provisions and requirements of Section 13 of Article 13 of Chapter 8 and Section 16 of Article 13 of Chapter 16 of the Code of West Virginia of 1931, as amended, and all other applicable provisions of law.

Section 2. It is hereby found, determined and declared as follows:

> That the rates now in existence for the furnishing of sewer service are not sufficient to provide for the repair, maintenance and operation of the sewer system to provide an adequate depreciation fund and to make other payments which are required by ordinance and the hereinafter established rates, charges and delayed penalty charges are just, reasonably applied without unjust discrimination or preference and based primarily upon the costs of providing service.

ARTICLE II - Establishing and Fixing Rates, Charges and Delayed Penalty Charges for Sewer Service.

Section 11-22 and 11-24 of The Pennsboro Municipal Code are hereby repealed and replaced with the following provisions, to-wit:

Section 11-22.1. The following rates, charges and delayed penalty charges shall be, and they are hereby, fixed and determined as the rates, charges and delayed penalty charges to be charged to customers of the sewer system of the City of Pennsboro throughout the entire territory served.

Section 11-22.2. Schedules:

a. Applicability - This schedule shall apply to service in the entire territory served by the sewer system of the City of Pennsboro.

b. Availability of Service - All sewer customers served by the sewer system of the City of Pennsboro, whether for general domestic, commercial or industrial purposes, shall pay rates in accordance with the schedule established herein.

c. Rates -

(i) Usage charge -

(A) Upon the first two thousand (2,000) gallons of water consumed per month, a charge of Eighteen and thirty-four hundredths Dollars ($18.34) or any part thereof.

(B) Upon the next three thousand gallons (3,000) of water consumed per month, a charge of Eight and fifty hundredths Dollars ($8.50) per thousand gallons, or fraction thereof.

(C) Upon the next five thousand (5,000) gallons of water consumed per month, a charge of Seven and thirty-six hundredths Dollars ($7.36) per thousand gallons, or fraction thereof.

(D) Upon all water in excess of ten thousand (10,000) gallons of water consumed per month, a charge of Five and sixty-three hundredths Dollars ($5.63) per thousand gallons, or fraction thereof.

(ii) Flat Rate: All customers not served by water works system of the City of Pennsboro shall, as a condition to being or remaining connected to the sewer system, pay a monthly charge of Thirty-six and fifty-four hundredths Dollars ($36.54). All customers not served by the sewer system who desire such service shall pay a connection fee of Two Hundred Fifty Dollars ($250.00) or Fifty Dollars ($50.00) in excess of the actual cost of making connections, whichever is greater.

d. Delayed Payment Penalty - The above tariff is net. All Accounts not paid in full within twenty (20) days from and after the date of mailing of monthly bills therefor shall have added to the net amount shown a delayed payment penalty of ten percent. (10%) of the amount of such bill, plus reasonable attorneys' fees and costs incurred in collection. Furthermore, the City of Pennsboro has and asserts a lien against the premises of each customer served and may foreclose upon that lien in the event of unpaid sewer service charges in accordance with the provisions of Section 16 of Article 13 of Chapter 16 of said Code.

e. Disconnection - If any bill is not paid within thirty (30) days after the date of mailing thereof, water and sewer service to the customer will be discontinued, provided, however, that at least three (3) days before the discontinuation of sewer service, a notice of such discontinuation shall be mailed to the delinquent customer at his last address on record with the Clerk, by regular United States Mail, postage prepaid. Water and sewer service will not be restored until all past sewer bills have been paid in full and all accrued penalties plus a reconnection charge of Twenty-Five Dollars ($25.00) shall be paid.

f. Multiple Occupancy - One apartment buildings or other multiple occupancy buildings, bills will be rendered based upon each family or business located therein which shall have a separate meter serving such family or business. Under no circumstances, however, may more than one (1) living unit not in the same structure be connected to the same meter.

g. Trailer Courts - The operators of house trailer courts may require separate metering for each site upon which a house trailer may be set. Alternatively, house trailer courts may be provided with a master meter, in which case the charge for sewer services to such house trailer court shall be the greater of either (i) the product obtained by multiplying the minimum bill per customer of Fourteen and sixteen hundredths Dollars ($14.16) times the number of units situated on the court site at the time the meter is read, or (ii) the actual charge for water used according to the schedule set forth herein. House trailers, as used herein, shall include both mobile and immobile units. House trailers, either mobile or immobile, located on sites other than a part of house trailer court shall be billed in the same manner as any other family or business unit.

h. Surcharge for Roof Drains. In the event that any building shall be found to have its roof drains or other storm sewers connected to the sanitary sewage treatment system of the City of Pennsboro, the owner of such building or the sewer system customer therein, if any there be, shall be assessed and billed by, and shall pay to, the sewer department of the City of Pennsboro a charge calculated on the basis of the following formula, separate and independent of the charges for sewage treatment otherwise levied hereunder, to-wit:

$$S = A \times R \times 0.0006233 \times C,$$

where S equals the surcharge in dollars; A equals the average area under roof in square feet; R equals the monthly rainfall in inches, 0.0006233 is a conversion factor to convert to thousand gallon measurement; and C equals the approved rate per thousand gallons of waste water treated.

j. Adjustment for unusual consumption. When the City of Pennsboro determines that there has been unusual consumption of sewage treatment services by any customer which can be attributed by the City of Pennsboro to eligible leakage of water on the customer's side of the water meter, the City of Pennsboro shall assess and bill, and the customer shall pay, to the sewer fund of the City of Pennsboro a sewage treatment charge of None and ninety-hundredths Dollars ($0.90) per thousand gallons of water (or fraction thereof) over and above the customer's two-year historical average usage of water.

Section 11-22.3. That the schedule of rates charges and delayed payment charges established and fixed herein shall be effective for all sewer service provided forty-five (45) days after final adoption hereof.

Section 11-22.4. All ordinances, resolutions or orders or parts thereof in conflict with the provision of this ordinance are to the extent of such conflict, hereby repealed effective with the effective date hereof.

Section 11-22.5. That Mayor of the City of Pennsboro is hereby authorized and directed to have prepared and filed with the Public Service Commission of West Virginia the sewer service rates as herein ordained and to perform all acts required by the statutes and the laws of this state and the rules and regulations of the Public Service Commission of West Virginia pertaining to municipal sewer system rates.

Section 11-22.6. The Clerk is hereby authorized and directed to make monthly billings to all customers of the sewer system in accordance with the schedule of rates set forth herein beginning during the month following the effective date hereof.

Section 11-22.7. If any provision hereof shall be invalidated by any Court or regulatory agency having jurisdiction, such provision shall be severable and the remainder of this ordinance shall remain in full force and effect unless such Court or agency finds that the purposes hereof would be substantially frustrated by such severance.

BE IT FURTHER ordered that the Clerk shall cause notice of this ordinance to be published as a Class II-0 legal advertisement in the form set forth on Exhibit A hereto, in compliance with the provisions of Article 3 of Chapter 59 of said Code in *The Pennsboro News.*

Date of First Reading:	May 4, 2009.
Action on First Reading:	Adopted.
Date of Second Reading:	May 19, 2009.
Action on Second Reading:	Adopted

ATTEST:

Rebecca Talkington

Rebecca Talkington, Clerk

INVOICE AND AFFIDAVIT OF PUBLICATION

The Pennsboro News

103 North Spring Street,
P.O. Box 241, Harrisville, WV 26362
Ph. (304) 643-4947 • Fax (304) 643-4717

WEST CENTRAL PUBLISHING
FEDERAL I.D. NO. 55-06700561
STATE OF WEST VIRGINIA
COUNTY OF RITCHIE, to wit:

I, James McGoldrick, being first duly sworn upon my oath, do depose and say:

- that I am Publisher of The Pennsboro News, a Democratic newspaper,
- that I have been duly authorized to execute this affidavit,
- that such newspaper is regularly published weekly for at least fifty weeks during the calendar year, in the municipality of Harrisville, Ritchie County, West Virginia.
- that such newspaper is a newspaper of "general circulation" as defined in Art. 3, Chap. 59 of the Code of West Virginia 1931 as amended, within Ritchie County;
- that such newspaper averages in length four or more pages, exclusive of any cover, per issue;
- that such newspaper is circulated to the general public at a definite price or consideration;
- that such newspaper is a newspaper to which the general public resorts for passing events or a political, religious, commercial and social nature and for current happenings, announcements, miscellaneous reading matters, advertisements and other notices;
- and that the annexed notice described as follows:

Legal Notice Fixing Rates

WAS PUBLISHED IN SAID NEWSPAPER AS FOLLOWS:

TIMES	DATES
One	May 6, 2009

PUBLICATION CHARGES	$28.46

CERTIF-BILL TO

Richard A. Hayhurst
PO Box 86
Parkersburg, WV 26102-0086

signed) James McGoldrick

NOTARIZATION

Taken, sworn to and subscribed before me this 5th day of June, 20 09

Charlott C. Stine
Notary Public

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CHARLOTT C. STINE
115 PINE GROVE RD.
ST. MARYS, WV 26170
My Commission Expires November 18, 2013

PLEASE RETURN A COPY OF THIS INVOICE WITH YOUR PAYMENT TO:
P.O. BOX 241, HARRISVILLE, WV 26362

LEGAL NOTICE

Please take notice that the Council of The City of Pennsboro will consider on second and final reading AN ORDINANCE OF THE COUNCIL OF THE CITY OF PENNSBORO ESTABLISHING AND FIXING RATES, CHARGES AND DELAYED PENALTY CHARGES FOR SERVICE FOR CONSUMERS OF THE WASTEWATER SYSTEM OF THE CITY OF PENNSBORO, RITCHIE COUNTY, WEST VIRGINIA, at its regular meeting on Tuesday, May 19, 2009, at 7:30 o'clock, P.M., in the Council Chambers of the City Building, Main Street at Paradise Alley, Pennsboro, West Virginia, and interested persons may appear at that time and place and be heard with respect thereto. Copies of the ordinance may be inspected at the Clerk's Office in the aforesaid City Building during regular business hours.

Published by Order of Council,

THE CITY OF PENNSBORO,
By Rebecca Talkington, Clerk
5-6-R

Exhibit A

INVOICE AND AFFIDAVIT OF PUBLICATION

The Pennsboro News

103 North Spring Street,
P.O. Box 241, Harrisville, WV 26362
Ph. (304) 643-4947 • Fax (304) 643-4717

WEST CENTRAL PUBLISHING
FEDERAL I.D. NO. 55-06700561
STATE OF WEST VIRGINIA
COUNTY OF RITCHIE, to wit:

Exhibit B

I, James McGoldrick, being first duly sworn upon my oath, do depose and say:

- that I am Publisher of The Pennsboro News, a Democratic newspaper,
- that I have been duly authorized to execute this affidavit,
- that such newspaper is regularly published weekly for at least fifty weeks during the calendar year, in the municipality of Harrisville, Ritchie County, West Virginia.
- that such newspaper is a newspaper of "general circulation" as defined in Art. 3, Chap. 59 of the Code of West Virginia 1931 as amended, within Ritchie County;
- that such newspaper averages in length four or more pages, exclusive of any cover, per issue;
- that such newspaper is circulated to the general public at a definite price or consideration;
- that such newspaper is a newspaper to which the general public resorts for passing events or a political, religious, commercial and social nature and for current happenings, announcements, miscellaneous reading matters, advertisements and other notices;
- and that the annexed notice described as follows:

Legal Notice - Establishing and Fixing Rates

WAS PUBLISHED IN SAID NEWSPAPER AS FOLLOWS:

TIMES	DATES
Two	May 20 and 27, 2009

PUBLICATION CHARGES $523.00

CERTIF-BILL TO

Richard A. Hayhurst
PO Box 86
Parkersburg, WV 26102-0086

(signed) James McGoldrick

NOTARIZATION

Taken, sworn to and subscribed before me this 5th day of June, 20 09

Charlott C. Stine
Notary Public

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CHARLOTT C. STINE
115 PINE GROVE RD.
ST. MARYS, WV 26170
My Commission Expires November 18, 2013

PLEASE RETURN A COPY OF THIS INVOICE WITH YOUR PAYMENT TO:
P.O. BOX 241, HARRISVILLE, WV 26362

Please take notice that the Council of The City of Pennsboro adopted on second and final reading AN ORDINANCE OF THE CITY OF PENNSBORO ESTABLISHING AND FIXING RATES, CHARGES AND DELAYED PENALTY CHARGES FOR SERVICE FOR CUSTOMERS OF THE WASTEWATER TREATMENT SYSTEM OF THE CITY OF PENNSBORO, RITCHIE COUNTY, WEST VIRGINIA at its regular meeting on Tuesday, May 19, 2009. The rates for sewer service shall become effective for water service provided after July 3, 2009, unless an election is required under the provisions of Section 13 of Article 13 of Chapter 8 of the Code of West Virginia of 1931, as amended. The ordinance is in words and figures as follows, to-wit:

AN ORDINANCE OF
THE CITY OF PENNSBORO
ESTABLISHING AND FIXING RATES, CHARGES AND DELAYED
PENALTY CHARGES FOR SERVICE FOR CUSTOMERS OF THE WASTEWATER TREATMENT
SYSTEM OF THE CITY OF PENNSBORO,
RITCHIE COUNTY, WEST VIRGINIA

WHEREAS, the City of Pennsboro, West Virginia, at present operates a Municipal Sewer System in accordance with the provisions of Section 5 of Article 12 of Chapter 8 with the Code of West Virginia of 1931, as amended; and

WHEREAS, the Council of said City of Pennsboro has determined that the rates at present being charged for sewer service from such municipal sewer system are not adequate to defray the costs of operation thereof; and

WHEREAS, the Council of the City of Pennsboro, being the governing body thereof, determines that the schedule of charges set forth on this ordinance are just, reasonable, applied without unjust discrimination or preference and based primarily upon the costs of providing such service, now, therefore,

BE IT ORDAINED by the Council of the City of Pennsboro as follows:

ARTICLE I - Statutory Authority, Findings and Determinations.

Section 1. This ordinance is enacted pursuant to the provisions and requirements of Section 13 of Article 13 of Chapter 8 and Section 16 of Article 13 of Chapter 16 of the Code of West Virginia of 1931, as amended, and all other applicable provisions of law.

Section 2. It is hereby found, determined and declared as follows:

That the rates now in existence for the furnishing of sewer service are not sufficient to provide for the repair, maintenance and operation of the sewer system to provide an adequate depreciation fund and to make other payments which are required by ordinance and the hereinafter established rates, charges and delayed penalty charges are just, reasonably applied without unjust discrimination or preference and based primarily upon the costs of providing service.

ARTICLE II - Establishing and Fixing Rates, Charges and Delayed Penalty Charges for Sewer Service.

Section 11-22 and 11-24 of The Pennsboro Municipal Code are hereby repeated and replaced with the following provisions, to-wit:

Section 11-22.1. The following rates, charges and delayed penalty charges shall be, and they are hereby, fixed and determined as the rates, charges and delayed penalty charges to be charged to customers of the sewer system of the City of Pennsboro throughout the entire territory served.

Section 11-22.2. Schedules:

a. Applicability - This schedule shall apply to service in the entire territory served by the sewer system of the City of Pennsboro.

b. Availability of Service - All sewer customers served by the sewer system of the City of Pennsboro, whether for general domestic, commercial or industrial purposes, shall pay rates in accordance with the schedule established herein.

c. Rates -

(i) Usage charge -

(A) Upon the first two thousand (2,000) gallons of water consumed per month, a charge of Eighteen and thirty-four hundredths Dollars ($18.34) or any part thereof.

(B) Upon the next three thousand gallons (3,000) of water consumed per month, a charge of Eight and fifty hundredths Dollars ($8.50) per thousand gallons or fraction thereof.

(C) Upon all water in excess of ten thousand (10,000) gallons of water consumed per month, a charge of Five and sixty-three hundredths Dollars ($5.63) per thousand gallons, or fraction thereof.

(ii) Flat Rate: All customers not served by a water works system of the City of Pennsboro shall, as a condition to being or remaining connected to the sewer system, pay a monthly charge of Thirty-six and fifty-four hundredths Dollars ($36.54). All customers not served by the sewer system who desire such service shall pay a connection fee of Two Hundred Fifty Dollars ($250.00) or Fifty Dollars ($50.00) in excess of the actual cost of making connections, whichever is greater.

d. Delayed Payment Penalty - The above tariff is net. All Accounts not paid in full within twenty (20) days from and after the date of mailing of monthly bills therefor shall have added to the net amount shown a delayed payment penalty of ten percent (10%) of the amount of such bill, plus reasonable attorneys' fees and costs incurred in collection. Furthermore, the City of Pennsboro has and asserts a lien against the premises of each customer served and may foreclose upon that lien in the event of unpaid sewer service charges in accordance with the provisions of Section 16 of Article 13 of Chapter 16 of said Code.

e. Disconnection - If any bill is not paid within thirty (30) days after the date of mailing thereof, water and sewer service to the customer will be discontinued, provided, however, that at least three (3) days before the discontinuation of sewer service, a notice of such discontinuation shall be mailed to the delinquent customer at his last address on record with the Clerk, by regular United States Mail, postage prepaid. Water and sewer service will not be restored until all past sewer bills have been paid in full and all accrued penalties plus a reconnection charge of Twenty-Five Dollars ($25.00) shall be paid.

f. Multiple Occupancy - One apartment buildings or other multiple occupancy buildings, bills will be rendered based upon each family or business located therein which shall have a separate meter serving such family or business. Under no circumstances, however, may more than one (1) living unit not in the same structure be connected to the same meter.

g. Trailer Courts - The operators of house trailer courts may require separate metering for each site upon which a house trailer may be set. Alternatively, house trailer courts may be provided with a master meter, in which case the charge for sewer services to such house trailer court shall be the greater of either (i) the product obtained by multiplying the minimum bill per customer of Fourteen and sixteen hundredths Dollars ($14.16) times the number of units situated on the court site at the time the meter is read, or (ii) the actual charge for water used according to the schedule set forth herein. House trailers, as used herein shall include both mobile and immobile units. House trailers, either mobile or immobile, located on sites other than a part of house trailer court shall be billed in the same manner as any other family or business unit.

h. Surcharge for Roof Drains - In the event that any building shall be found to have its roof drains or other storm sewers connected to the sanitary sewage treatment system of the City of Pennsboro, the owner of such building or the sewer system customer therein, if any there be, shall be assessed and billed by, and shall pay to, the sewer department of the City of Pennsboro a charge calculated on the basis of the following formula, separate and independent of the charges for sewage treatment otherwise levied hereunder, to-wit:

$$S = A \times R \times 0.0006233 \times C.$$

where S equals the surcharge in dollars, A equals the average area under roof in square feet; R equals the monthly rainfall in inches, 0.0006233 is a conversion factor to convert to thousand gallon measurement; and C equals the approved rate per thousand gallons of waste water treated.

i. Adjustment for unusual consumption - When the City of Pennsboro determines that there has been unusual consumption of sewage treatment services by any customer which can be attributed by the City of Pennsboro to eligible leakage of water on the customer's side of the water meter, the City of Pennsboro shall assess and bill, and the customer shall pay, to the sewer fund of the City of Pennsboro a sewage treatment charge of None and ninety-hundredths Dollars ($0.90) per thousand gallons of water (or fraction thereof) over and above the customer's two-year historical average usage of water.

Section 11-22.3 That the schedule of rates charges and delayed payment charges established and fixed herein shall be effective for all sewer service provided forty-five (45) days after final adoption hereof.

Section 11-22.4. All ordinances, resolutions or orders or parts thereof in conflict with the provision of this ordinance are to the extent of such conflict, hereby repealed effective with the effective date hereof.

Section 11-22.5 That Mayor of the City of Pennsboro is

INVOICE AND AFFIDAVIT OF PUBLICATION

The Pennsboro News

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WEST CENTRAL PUBLISHING
FEDERAL I.D. NO. 55-06700561
STATE OF WEST VIRGINIA
COUNTY OF RITCHIE, to wit:

, James McGoldrick, being first duly sworn upon my oath, do depose and say:

- that I am Publisher of The Pennsboro News, a Democratic newspaper,
- that I have been duly authorized to execute this affidavit,
- that such newspaper is regularly published weekly for at least fifty weeks during the calendar year, in the municipality of Harrisville, Ritchie County, West Virginia.
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- that such newspaper averages in length four or more pages, exclusive of any cover, per issue;
- that such newspaper is circulated to the general public at a definite price or consideration;
- that such newspaper is a newspaper to which the general public resorts for passing events or a political, religious, commercial and social nature and for current happenings, announcements, miscellaneous reading matters, advertisements and other notices;
- and that the annexed notice described as follows:

Public Notice of Change in Rates by Municipalities

WAS PUBLISHED IN SAID NEWSPAPER AS FOLLOWS:

TIMES	DATES
Two	May 20 and 27, 2009

PUBLICATION CHARGES	$238.38

CERTIF-BILL TO

Richard A. Hayhurst
PO Box 86
Parkersburg, WV 26102-0086

signed) James McGoldrick

NOTARIZATION

Taken, sworn to and subscribed before me this 5th day of June, 20 09

Charlott C. Stine
Notary Public

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CHARLOTT C. STINE
115 PINE GROVE RD.
ST. MARYS, WV 26170
My Commission Expires November 18, 2013

PLEASE RETURN A COPY OF THIS INVOICE WITH YOUR PAYMENT TO:
P.O. BOX 241, HARRISVILLE, WV 26362

Tariff Form No. 12
(Tariff Rule 44)

PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES

NOTICE is hereby given that The City of Pennsboro, a municipal corporation operating a public waste-water treatment utility, has adopted by ordinance on May 19, 2009, a tariff containing increased rates, tolls and charges for furnishing wastewater treatment service to approximately five hundred fifty-five (555) customers at Pennsboro in the County of Ritchie.

The proposed increased rates and charges will become effective July 6, 2009, unless otherwise ordered by the Public Service Commission and will produce approximately $64,590.00 annually in additional revenue, an increase of 29.5%. The average monthly bill (based on 4,500 gallons per month) for the various classes of customers will be changed as follows:

	($) INCREASE	INCREASE (%)
Residential	$9.03	29.5%
Commercial	$9.03	29.5%
Industrial	$9.03	29.5%
Resale		
Other		

There are no resale customers of The City of Pennsboro Wastewater Treatment 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 this filing. The Commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates or charges, by

(1) Any customer aggrieved by the changed rates or charges who presents to the Commission a petition signed by not less than twenty-five percent of the customers served by such municipally operated public utility; or

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

(3) Any customer or group of customers who are affected by said change in rates who reside within municipal boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the municipally utility. Said petition shall be accompanies by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

A complete copy of the proposed rates, as well as a representative of the utility to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at any of the following offices of the utility:

The City of Pennsboro, Municipal Offices, 422 Main Street, Pennsboro, West Virginia.

A copy of the proposed rates is available for public inspection at the office of the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

5-20,27-R

Exhibit C

May 4, 2009

The Pennsboro City Council met in special session Monday May 4, 2009 at the City Building. Mayor Wesley Merritt called the meeting to order at 7:40 pm. with the following in attendance:

Mayor:	Wesley Merritt
Council Members:	Mary E. Mahaney "Peggy" - Absent
	Jim Props
	Charlene Sweeney
	Jim Vogt
City Clerk:	Rebecca Talkington
Attorney:	Richard Hayhurst
Chief of Police:	Jeff Kennedy
News Reporters:	Nicole Umensetter, Pennsboro News & Missy Lamp, Ritchie Gazette
City Employees:	Sam Cokeley, Jr.
Visitors:	No visitors

Council Member Charlene Sweeney made a motion, seconded by Council Member Jim Vogt, to approve first reading on ***"AN ORDINANCE OF THE CITY OF PENNSBORO ESTABLISHING AND FIXING RATES, CHARGES AND DELAYED PENALTY CHARGES FOR SERVICE FOR CUSTOMERS OF THE WASTEWATER TREATMENT SYSTEM OF THE CITY OF PENNSBORO, RITCHIE COUNTY, WEST VIRGINIA"***, motion passed unanimously.

Raising the wastewater rates will allow the City of Pennsboro to better qualify for grant funding. The current rate is $14.16 for the first 2,000 gallons of water; proposed rate is $18.34 per 2,000 gallons of water.

Council Member Jim Props made a motion to adjourn, seconded by Council Member Jim Vogt, motion passed unanimously.

Wesley Merritt, Mayor

Rebecca Talkington, City Clerk

The Pennsboro City Council met in regular session Tuesday May 19, 2009 at the City Building. Mayor Wesley Merritt called the meeting to order at 7:30 pm. with the following in attendance:

Mayor:	Wesley Merritt
Council Members:	Mary E. Mahaney "Peggy"
	Jim Props
	Charlene Sweeney
	Jim Vogt
City Clerk:	Rebecca Talkington
Attorney:	Richard Hayhurst
Chief of Police:	Jeff Kennedy
News Reporters:	Jennifer Gregg, Pennsboro News & Missy Lamp, Ritchie Gazette
City Employees:	Sam Cokeley, Junior McCullough & Sam Cokeley, Jr.
Visitors:	Erin Thacker with MOVRC, Patricia Hughes, Jim Mahoney, Francis Owens Jr., James White, Robert Riggs, Jim Edmisten and Glen Stone

Council Member Peggy Mahaney moved the minutes of Monday, April 20, 2009 regular meeting, Tuesday, April 21, 2009 special meeting to lay the levy, and Monday, May 4, 2009 special meeting of the first reading of an ordinance adopting sewer rates be approved as read, seconded by Council Member Charlene Sweeney, and passed unanimously.

SAFETY

Mayor Wes Merritt stated that the men have been working on a sewer leak on Walnut Street and that citizens need to be careful on that street.

CONCERNS OF VISITORS:

Jim Mahoney came before council concerning a rental house that he has on Grey Street and is unable to rent the house due to the dogs owned by Richard Wilson and Angela Moneypenny. He stated that he had been renting his house for $350 a month and now it is hard for him to rent it for $250 a month, and is unable to keep renters due to the dogs. Mr. Mahoney stated that the dogs are large vicious dogs and if one of them would get loose somebody would be hurt badly. Chief Kennedy stated that he had submitted a report to the Health Department concerning the feces and smell of the dogs and to this date has not received a response. Mr. Mahoney asked if the City had an ordinance concerning kennels or number of dogs. Mayor Wes Merritt stated there is not an ordinance and the City does not have an ordinance regulating the number of dogs that a resident can own. Council Member Charlene Sweeney suggested to Mr. Mahoney writing a letter to the health department concerning the problem. City Attorney Richard Hayhurst mentioned that there is a nuisance ordinance. Richard suggested that Chief Kennedy monitor the dogs for a nuisance due to the barking.

Patricia Hughes at 104 Premier came before council to request that she have permission to gravel a paper alley that is a continuation of Willow Street behind her house. Council Member Charlene Sweeney made a motion, seconded by Council Member Peggy Mahaney, that Patricia Hughes have permission to gravel the alley at her expense, motion passed unanimously. Council also mentioned that when she tears down the old house that she notify the City so the sewer can be capped.

Francis Owens, Jr. came before council concerning the house on 506 Clayton Street that had been declared condemned at the April 20, 2009 regular council meeting and his land contract with Christopher Haymond that was dated May 13, 2009 the day after the hearing on May 12, 2009 where the Circuit Court granted the City a preliminary injunction requiring Mr. Haymond to obtain a building permit and proceed forthwith to demolish the premises at 506 Clayton Street. Council stated that Mr. Owens would have to submit a written plan of action and a time frame for completion of repairs on the house at 506 Clayton Street for Council approval. City Attorney Richard Hayhurst suggested that Mr. Owens get in touch with an attorney to research the title for liens on the property and record the land contract with Christopher Haymond.

Glen Stone came before council concerning moving a mobile home from 507 F Grey Street to 412 West Myles Avenue. He presented pictures of the mobile home. Council suggested that he first check with the Rails to Trails due to the fact that the trailer would be sitting along the Rails to Trails and will need to be moved across the Trail. After which time he has permission from the Rails to Trails Council will then make their decision.

Erin Thacker from MOVRC came before council for approval to submit invoices from MOVRC in the amount of $5,177.24 for reimbursement from the SCBG for the Wastewater Treatment Plant & System Improvements Project. Council Member Peggy Mahaney made a motion, seconded by Council Member Jim Vogt, that Wes Merritt signs the Resolution for reimbursement, and motion passed unanimously.

Erin Thacker stated that she would no longer be working for MOVRC after the middle of June 2009.

Charlene Sweeney mentioned the following:

1) *City Wide Yard Sale – Council was not in favor at this time*
2) *Trees that need to be trimmed on Rt. 50 ramp at race track – State right-of-way*
3) *Shentel Franchise Agreement – per Richard Hayhurst Agreement in progress*
4) *Sludge hauled from Sewer Plant*
5) *Streets – will meet with Wes & Sam on paving next week*
6) *Tree on Penn Avenue at bridge in creek needs trimmed*
7) *Questioned transfer of $10,000.00 from Street Levy to Street Pic Account was to prevent dormant account.*
8) *Asked Richard Hayhurst about laptop computer for men – Richard will check*

Richard Hayhurst mentioned that he had spoke to Wood County Sheriff's Office concerning the criminal reports to be completed for City of Pennsboro, they were unable to complete them for the City. Richard is waiting to hear back from Parkersburg Police Department.

Sam Cokeley, Jr. mentioned there is a problem with Rock Wilson parking down in drive and blocking the door making it inaccessible to the City garage. City Attorney Richard Hayhurst will address the problem.

Council Member Peggy Mahaney moved council approve payment of the bills as presented for May 2009, seconded by Council Member Jim Props, motion passed unanimously. **See list of bills **

Council Member Peggy Mahaney made a motion to go into executive session per request from Robert Riggs concerning personnel, seconded by Council Member Charlene Sweeney, motion passed unanimously.

Upon returning from executive session no action was taken.

Mayor Wesley Merritt declared the meeting adjourned.

Mary E. Mahaney
Mary E. Mahaney, Council Member

Rebecca Talkington
Rebecca Talkington, City Clerk

VENDOR CHECKS REPORT

** BANK: 25 101 000 00, FUND: SELECTED FUNDS **

** BEGINNING DATE: 5/01/09 - ENDING DATE: 5/31/09 **

** VENDOR RANGE: ALL VENDORS ** ** CHECK RANGE: ALL CHECKS **

** PRINT ORDER: DATE / CHECK # **

BANK ACCOUNT	VENDOR#	VENDOR NAME	POST-DT	TRAN#	CHK-DT	CHECK AMOUNT	CHECK#
25 101 000 00		CONSOLIDATED CHECKING ACCOUNT					
	9	PAYROLL ACCOUNT	5/04/09	16985	5/04/09	5,905.81	1,292
	79	BUREAU FOR CHILD SUPPORT ENFOR	5/04/09	16986	5/04/09	269.77	1,293
	116	ST LEVY PIC ACCT #20-0339-5	5/05/09	17024	5/05/09	10,000.00	1,294
	5	ALLEGHENY POWER	5/07/09	17122	5/07/09	1,220.59	1,295
	7	HAYHURST EQUIPMENT INC	5/07/09	17123	5/07/09	3.89	1,296
	25	PENNSBORO NEWS	5/07/09	17124	5/07/09	206.60	1,297
	42	JENKINS AUTO PARTS	5/07/09	17126	5/07/09	248.32	1,298
	44	PARKERSBURG OFFICE SUPPLY INC	5/07/09	17128	5/07/09	192.43	1,299
	77	LLOYD HOFF HOLDING CORP	5/07/09	17129	5/07/09	14.00	1,300
	78	HALL'S WELDING/FEED & FARM	5/07/09	17130	5/07/09	100.00	1,301
	98	STEPHANIE D CAIN	5/07/09	17131	5/07/09	40.00	1,302
	121	H D SUPPLY WATERWORKS LTD	5/07/09	17132	5/07/09	920.00	1,303
	123	DALE TAYLOR	5/07/09	17133	5/07/09	1,100.00	1,304
	160	PENNSBORO WATER FUND	5/07/09	17134	5/07/09	1,036.40	1,305
	353	N & N DISPOSAL INC	5/07/09	17135	5/07/09	125.38	1,306
	436	STREICHER'S	5/07/09	17136	5/07/09	119.93	1,307
	511	FERGUSON WATERWORKS #527	5/07/09	17137	5/07/09	494.75	1,308
	598	CINTAS	5/07/09	17140	5/07/09	760.15	1,309
	97	AFLAC	5/08/09	17164	5/08/09	150.15	1,310
	30	POSTMASTER	5/08/09	17177	5/08/09	61.66	1,311
	55	WV STATE TREASURER'S OFFICE	5/08/09	17178	5/08/09	60.00	1,312
	5	ALLEGHENY POWER	5/15/09	17337	5/15/09	1,711.03	1,313
	15	CONSUMERS GAS UTILITY COMPANY	5/15/09	17342	5/15/09	571.65	1,314
	17	CASTO & HARRIS	5/15/09	17344	5/15/09	574.35	1,315
	25	PENNSBORO NEWS	5/15/09	17345	5/15/09	28.46	1,316
	113	WVDHHR OFFICE LAB SERVICES	5/15/09	17346	5/15/09	30.00	1,317
	144	STATE ELECTRIC SUPPLY CO INC	5/15/09	17347	5/15/09	240.83	1,318
	228	GALL'S INC	5/15/09	17350	5/15/09	100.98	1,319
	403	ACE HARDWARE	5/15/09	17351	5/15/09	190.40	1,320
	411	MISS UTILITY	5/15/09	17352	5/15/09	10.00	1,321
	458	MARATHON ASHLAND	5/15/09	17353	5/15/09	328.93	1,322
	463	SAM COKELEY JR	5/15/09	17354	5/15/09	132.12	1,323
	470	BFS PETROLEUM PRODUCTS INC	5/15/09	17355	5/15/09	22.00	1,324
	532	HUGHES RIVER WATER BOARD	5/15/09	17356	5/15/09	10,784.33	1,325
	590	PENNSBORO INDUSTRIAL PARK FUND	5/15/09	17357	5/15/09	500.00	1,326
	9	PAYROLL ACCOUNT	5/18/09	17456	5/18/09	5,764.00	1,327
	79	BUREAU FOR CHILD SUPPORT ENFOR	5/18/09	17457	5/18/09	388.04	1,328
	94	WV STATE TAX DEPARTMENT	5/18/09	17458	5/18/09	578.00	1,329
	95	UNION BANK	5/18/09	17459	5/18/09	2,954.22	1,330
	5	ALLEGHENY POWER	5/19/09	17511	5/19/09	6.26	1,331
	70	DODSON PEST CONTROL	5/19/09	17512	5/19/09	150.00	1,332
	98	STEPHANIE D CAIN	5/19/09	17513	5/19/09	40.00	1,333
	317	BURGESS & NIPLE	5/19/09	17514	5/19/09	965.26	1,334
	542	ALLTEL	5/19/09	17515	5/19/09	252.59	1,335
	569	BP	5/19/09	17516	5/19/09	259.73	1,336
	30	POSTMASTER	5/21/09	17579	5/21/09	46.17	1,337
	115	RDA - RURAL DEVELOPMENT	5/21/09	17580	5/21/09	4,000.00	1,338
	309	RON SEESE	5/21/09	17581	5/21/09	15.00	1,339
	656	TED KANNER	5/21/09	17598	5/21/09	624.05	1,340
	128	WEST UNION BANK	5/26/09	17625	5/26/09	216.00	1,341
	577	AGLA - AMERICAN GENERAL	5/26/09	17626	5/26/09	19.69	1,342
							** ERROR **
	5	ALLEGHENY POWER	5/27/09	17726	5/27/09	329.72	1,344
	18	RADY & DEEM COMPANY	5/27/09	17733	5/27/09	39.22	1,345
	52	MARIETTA OFFICE SUPPLY CO	5/27/09	17740	5/27/09	40.99	1,346
	117	DODD'S SPORTING GOODS	5/27/09	17742	5/27/09	24.95	1,347
	118	PROFESSIONAL LEGAL PROCESS SER	5/27/09	17743	5/27/09	53.00	1,348
	185	RELIANCE LABORATORIES INC	5/27/09	17744	5/27/09	155.00	1,349
	187	W V DEP	5/27/09	17745	5/27/09	300.00	1,350
	230	VERIZON	5/27/09	17746	5/27/09	417.03	1,351
	507	OHIO VALLEY SPRAY FOAM INC	5/27/09	17747	5/27/09	14,580.00	1,352
	601	LISA HAMMOND	5/27/09	17748	5/27/09	200.00	1,353
	700,000	MEGAN E THOMAS *	5/27/09	17750	5/27/09	32.09	1,354
	700,000	NORMA PETHTEL *	5/27/09	17751	5/27/09	85.06	1,355
	30	POSTMASTER	5/28/09	17784	5/28/09	199.61	1,356
	700,000	BROOKSIDE APARTMENTS	5/28/09	17789	5/28/09	1,319.42	1,357
	700,000	BROOKSIDE APARTMENTS	5/28/09	17790	5/28/09	1,944.07	1,358
	700,000	BROOKSIDE APARTMENTS	5/28/09	17791	5/28/09	751.95	1,359
	700,000	BROOKSIDE APARTMENTS	5/28/09	17792	5/28/09	2,703.53	1,360
	700,000	BROOKSIDE APARTMENTS	5/28/09	17793	5/28/09	1,080.60	1,361
		CONSOLIDATED CHECKING ACCOUNT				78,790.16	69 *

DEPOSITORY PLEDGE
FOR
CITY OF PENNSBORO

July 1, 2009 thru June 30, 2010

KNOW ALL MEN BY THESE PRESENT:

The WEST UNION BANK, A CORPORATION, of West Union, West Virginia, incorporated under the laws of the State of West Virginia, is held and firmly bound into the State of West Virginia, in the sum of FOUR HUNDRED FIFTY THOUSAND DOLLARS ($450,000.00), the payment thereof, well and truly to be made, it binds itself, its successors and assigns firmly by these present:

Signed, sealed and dated this 10th day of June, 2009.

The condition of the above obligation is such that whereas the CITY OF PENNSBORO, has designated the said WEST UNION BANK of West Union, West Virginia, as a Depository of public monies for said CITY OF PENNSBORO, in accordance with the requirements of the law and qualify as such depository by giving a proper collateral bond as provided by law.

Now, therefore, if the above bound WEST UNION BANK shall receive, safely keep and pay over all monies of the said CITY OF PENNSBORO, which may be deposited in it or come into its custody as such depository of public monies as provided by law, together with the interest thereon from time to time agreed upon between the said CITY OF PENNSBORO, and said DEPOSITORY and shall further faithfully perform all the duties imposed by the laws of the State of West Virginia upon it as a depository of Public monies, then the above obligation shall be null and void; otherwise, to remain in full force and effect.

In order to secure prompt payment of any obligation or liability which may be incurred by said Bank as Depository of public monies, as in these presents contemplated by reason of the breach of any condition of this obligation, to the full amount of the penalty of this Bank, said WEST UNION BANK has assigned, transferred and set over to the CITY OF PENNSBORO, proof of pledged securities and assets of said Bank, listed in schedule hereunto attached and marked for identification "SCHEDULE A", and made a part hereof, and may be added thereto or pledged in the place and substitution of any of the securities now listed in said schedule, and said Bank undertaking, covenanting and agreeing to pledge and keep pledged at all times, assets of said Bank, consisting of interest bearing securities, State or Federal Government, or other approved securities by the Treasurer's Office, State of West Virginia, of the aggregate face or par value, equal to their amount or sum of public monies of said CITY OF PENNSBORO, which shall be deposited with it or in the custody of said Bank.

It is mutually covenanted and agreed by and between the said Bank and said CITY OF PENNSBORO, that the said securities so pledged by said Bank shall be held for the benefit of the pledgee by a Custodian to be selected by the WEST UNION BANK agreeable to the CITY OF PENNSBORO.

It is mutually covenanted and agreed that in the event the said CITY OF PENNSBORO, shall deposit or place with the said WEST UNION BANK, funds in excess of the aggregate amount of the face or par value of the securities listed in the schedule hereto attached, together with the amounts guaranteed by the Federal Deposit Insurance Corporation, the WEST UNION BANK shall thereupon have the right and privilege of notifying representative and requesting said agent or representative to withdraw from amount of the face or par value of the securities listed in Schedule A, together with the amounts guaranteed by the Federal Deposit Insurance Corp., or said Bank shall have the right and privilege of a refusal to accept for deposit, said funds or any part thereof in the excess of the aggregate amount of the face or par value of the

SCHEDULE "A"

Bonds pledged by WEST UNION BANK, for deposits in the name of CITY OF PENNSBORO, Pennsboro, West Virginia, 26415, for the period of July 1, 2009, thru June 30, 2010.

Bonds Pledged:

$250,000, FED HOME LN MTG CORP, Cusip #3128X8QH8, due March 16, 2011, 2.0000%
$200,000, FED FARM CR BK, Cusip #31331GGU7, due December 23, 2013, 4.0000%

TOTAL PLEDGE $450,000.00

ACCEPTANCE OF DEPOSITORY PLEDGE
BY
CITY OF PENNSBORO

State of West Virginia
County of Ritchie, to Wit:

I, Richard A. Hayhurst, Attorney for the City of Pennsboro, do certify that the foregoing DEPOSITORY BOND PLEDGE tendered by the WEST UNION BANK, a corporation, of West Union, West Virginia, as Depository of Public monies for the CITY OF PENNSBORO, Pennsboro, West Virginia, is in due and legal form and conformable to the laws of the State of West Virginia.

Given under my hand this 15 day of June, 2009.

Richard A. Hayhurst
Attorney for the City of Pennsboro

AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINIA,
COUNTY OF RITCHIE, to-wit:

I, Denise J. Shiflet, being first duly sworn upon my oath, do depose and say that I am a member of Ritchie Gazette Publishing Limited Liability Company, publisher of the newspaper entitled **RITCHIE GAZETTE AND THE CAIRO STANDARD**, a Republican newspaper; that I have been duly authorized by the members of such company to execute this affidavit of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below; that such newspaper is regularly published weekly, for at least fifty weeks during the calendar year, in the Municipality of Harrisville, Ritchie County, West Virginia; that such newspaper is a newspaper of "general circulation," as that term defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication area or areas of the aforesaid municipality, county, and state; that such newspaper averages in length four or more pages, exclusive of any cover, per issue; that such newspaper is circulated to the general public at a definite price or consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for the current happenings, announcements, miscellaneous reading materials, advertisements, and other notices; that the annexed notice of:

NOTICE OF PUBLIC HEARING - CITY OF PENNSBORO

(CIR2)

was duly published in said newspaper two weeks, with the issue beginning the **5TH DAY OF AUGUST, 2009**, and ending with the **12TH DAY OF AUGUST, 2009**, and that the cost of publishing said annexed notice was **$126.79**

/s/ Denise J. Shiflet
Publisher, Ritchie Gazette & The Cairo Standard

Taken, subscribed and sworn to before me in my said county this 20th day of Aug., 2009.

Melissa A. Shaffer
Notary Public of Ritchie County, West Virginia

My commission expires Aug. 23, 2015.

NOTICE OF PUBLIC HEARING ON THE CITY OF PENNSBORO BOND ORDINANCE

A public hearing will be held on the following entitled Ordinance at a regular meeting of the Council of the City of Pennsboro (the "City") to be held on Monday, August 17, 2009, at 7:30 p.m. at the City Hall, 422 Main Street, Pennsboro, West Virginia, and at such hearing any person interested may appear before the City and present protests, and all protests and suggestions shall be heard by the City and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

CITY OF PENNSBORO

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF PENNSBORO AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,500,000 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 City 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 acquisition and construction of certain additions, betterments and improvements to the public sewerage system of the Issuer (the "Project"), and (ii) to pay certain costs of issuance of the Bonds. The Bonds are payable solely from revenues to be derived from the ownership and operation of the system of the City. 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 City of Pennsboro on July 27, 2009. A certified copy of the above entitled Ordinance is on file with the City for review by interested parties during regular office hours.

Following the public hearing, the City intends to enact the Ordinance upon final reading.

/s/ Wesley S. Merritt
Mayor

C8/5-12

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
MELISSA A. SHAFFER
ROUTE 1, BOX 139
CAIRO, WV 26337
My Commission Expires August 23, 2015

CITY OF PENNSBORO

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

EXCERPT OF MINUTES ON ADOPTION OF
SUPPLEMENTAL RESOLUTION AND DRAW RESOLUTION

The undersigned CLERK of the City of Pennsboro of hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said Council:

*** *** ***

The Council of the City of Pennsboro met in regular session, pursuant to notice duly posted, on the 21st day of September, 2009, in Ritchie County, West Virginia, at the hour of 7:30 p.m.

PRESENT:

Wesley S. Merritt, Mayor
Mary E. Mahaney, Councilmember
Robert Riggs, Councilmember
Geraldine Gatrell, Councilmember
James Vogt, Councilmember

ABSENT:

NONE

Wesley S. Merritt, Mayor, presided, and Rebecca Talkington, acted as Clerk. The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon the Mayor presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION 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 CITY OF PENNSBORO; 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, upon motion duly made by Robert Riggs and seconded by James Vogt 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 Mary E. Mahaney and seconded by Robert Riggs, it was unanimously ordered that the said Draw Resolution be adopted.

*** *** ***

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

[Remainder of Page Intentionally Blank]

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of the City of Pennsboro 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 25th day of September, 2009.

Rebecca R. Saltington
Clerk

696750.00002

The Pennsboro City Council met in regular session Monday, July 20, 2009 at the City Building. Mayor Wesley Merritt called the meeting to order at 7:30 pm. with the following in attendance:

Mayor:	Wesley Merritt
Council Members:	Mary E. Mahaney "Peggy"
	Geraldine Gatrell "Gerry"
	Robert Riggs
	Jim Vogt
City Clerk:	Rebecca Talkington "Beckie"
Attorney:	Richard Hayhurst
Chief of Police:	Jeff Kennedy
News Reporters:	Jennifer Gregg, Pennsboro News & Missy Lamp, Ritchie Gazette
City Employees:	Junior McCullough & Sam Cokeley
Visitors:	Mike Davis with Burgess & Niple, Curtis Hackathorn, Mary Jane Allen, Francis Owens, Jr., Gary Poling, Lewis Rogers, Edna Snavely, Glen Stone and Jim Props

Council Member Peggy Mahaney moved the minutes of Monday, June 15, 2009 regular meeting and Monday, July 6, 2009 special meeting, be approved as read, seconded by Council Member Gerry Gatrell, and passed unanimously.

CONCERNS OF VISITORS:

Francis Owens, Jr. came before council concerning the house that was condemned by council. Mr. Owens stated that he received a call from Mr. Christopher Haymond and he assured Mr. Owens that if there is a lien on the property it would be taken care of. He stated that he would like to be able to have the council to reconsider so he can fix the house up. Council Member Robert Riggs asked Mr. Owens what time frame he is looking at in having the house done. Mr. Owens responded that he expected it to be three to six months to have the house completely done. City Attorney Richard Hayhurst stated that Mr. Owens does not have a building permit. Robert Riggs stated that there a lot of major repairs to be done within six months and he felt that in that time frame it could not be done. City Attorney suggested that before council could consider a building permit that Mr. Owens get a contractors assessment of the premises to outline the scope of the work that needs to be done and how much it is going to cost, and some kind of commitment from the bank to release the property before council can process his application. Mr. Owens stated that he would speak with West Union Bank in St. Marys. Richard Hayhurst stated that if the bank or the contractor has any questions he would be happy to speak with them.

Gary Poling at 228 McDougal Drive thanked council for the street light that he requested. Gary mentioned that bushes at Patrick Allen's 105 Main Street (corner of Rt. 74 and Old Rt. 50) need to be trimmed. He stated that you have to pull out almost on Rt. 50 to be able to see. Council Member Robert Riggs stated that he would talk to Patrick about the concern.

Curtis Hackathorn came before council requesting permission to remove the curb in front of his house so he can blacktop for parking, which would take away the sidewalk at his expense. The water meter is in the sidewalk would have to be moved by City. Mr. Hackathorn was informed that when a new meter setter was put in that he would have to install a Thermal Expansion Tank to prevent problems with his hot water tank. Council Member Robert Riggs made a motion to allow Curtis to remove the curb and City move the water meter so Curtis can blacktop over the sidewalk for parking with Sam Cokeley supervising to make sure the curb is smoothed out properly, seconded by Gerry Gatrell, and passed unanimously.

BUILDING PERMITS:

Council Member Peggy Mahaney made motion that the following building permits be approved seconded by Council Member Robert Riggs, and passed unanimously.

Amy Lanham, 520 W. Myles Ave/steps to house & siding
Bobby Gibson, 521 Park Drive/addition to front of house & back door
Sam Cokeley, 320 W. Myles Ave/general repairs
Pamela Dotson, 104 W. Myles Ave/general repairs
Russell Gray, 303 Mountain Drive/build deck
Curtis Hackathorn, 401 W. Raymond Ave/privacy fence
Larry Horner Sr., 411 Grey Street/rebuild front porch
Rosemary Horner, 207 W. Myles Ave/repair porch roof & steps & general repairs
Faye Jones, 207 E. Myles Ave/windows & general repairs
Wells Building, Collins Ave/windows & roof (renewal)
Diane Cox, 103 Masonic Ave/roof on porch
Barbara Foster, 702 Collins Ave/general repairs
James Griffith, 411 Fream Street/general repairs

Charles Collins, 406 Grey Street/roof house & deck
Denny Nelson, 405 W. Raymond Ave/general repairs
Larry Gregory, 515 W. Myles Ave/general repairs
Susan Jones, 105 Ray Ave/fence
Leigh Ridgway, 309 Premier St/roof house
Women's Club, 302 Masonic Ave/general repairs & concrete drive
Ruth McPeek, 111 Glenway St/Install electric line underground
Chris Doak, 208 Ray Ave/build back porch with roof
Francis Sellers, 516 Clayton St/razing garage

Council Member Peggy Mahaney made a motion to approve employee raises of fifty cents ($.50) per hour across the board for each employee effective July 1, 2009, seconded by Council Member Jim Vogt, and passed unanimously.

CONSIDERATION OF ORDINANCES:

Council Member Robert Riggs made a motion of the adoption of the *second and final reading* of ***An Ordinance of The City of Pennsboro Creating the Sanitary Board of The City of Pennsboro.*** The Sanitary Board shall be composed of the Mayor of the City, who shall act as Chairman of the Sanitary Board, and two persons appointed by the Council, one member must be a registered professional engineer, seconded by Council Member Peggy Mahaney, and passed unanimously. Ordinance Adopted.

Council Member Peggy Mahaney made a motion that Mary Jane Allen and Professional Engineer Gregory L. Herrick be appointed as Sanitary Board Members along with the City of Pennsboro's Mayor as chairman, seconded by Council Member Jim Vogt, and passed unanimously.

The regular Council Meeting was suspended for a brief meeting of the Sanitary Board.
(See Minutes of Sanitary Board Meeting)

Mayor Wesley Merritt called the regular Council Meeting to order.

Council Member Jim Vogt made a motion for Council to accept the recommendation from Sanitary Board the ***first reading*** and act upon a proposed ***Bond Ordinance*** providing for the issuance of its Sewer Revenue Bonds, Series 2009 A (the "Bonds"). The proceeds of the Bonds will be used (1) to pay 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 (2) to pay certain costs of issuance of the Bonds. The Bonds are payable solely from revenues to be derived from the ownership and operation of the sewer system of the City, seconded by Council Member Peggy Mahaney, and passed unanimously.

Council Member Jim Vogt made a motion that council have a special meeting by phone at 1:00 PM on Monday, July 27, 2009 for the ***second reading*** of the proposed ***Bond Ordinance***, seconded by Council Member Robert Riggs, and passed unanimously.

OLD BUSINESS:

City Attorney Richard Hayhurst presented to Council ***Legal Services Agreements***; 1) City Attorney agrees to perform all legal services necessary under the provisions of said statutes necessary to obtaining a certificate of convenience and necessity from the West Virginia Public Service Commission for Phase I of improvements of the Wastewater Collection and Treatment System, 2) City Attorney agrees to perform all legal services necessary under the provisions of said statutes necessary to the financing, construction, and initial operation of Phase I of improvements to the Wastewater Collection and Treatment System. Agreements are reimbursable through Stimulus monies. Council Member Robert Riggs made a motion to accept the two Legal Agreements as stated above, seconded by Council Member Peggy Mahaney, and passed unanimously.

Mayor Wes Merritt stated that there has been progress on the handicapped ramp at the Senior Citizens Building and that the steps on the other side of the ramp are to be replaced.

Council Member Jim Vogt mentioned that the Trailhead Development Committee has come to an Agreement with Baker Engineering. Jim stated he is on the landscaping committee. Baker Engineering will be putting in asphalt that water will drain through. Jim stated that it is going to be a real nice place. The Trailhead Association would like to come up with a name for the project when completed. Jim also mentioned that Baker Engineering has possibly come up with another grant for the Trailhead Development Project.

Council Member Gerry Gatrell questioned if maintenance had taken care of the problem with a tree at 105 Grey Street owned by Leonard Satterfield that Dottie Burgess asked about. Sam Cokeley, Supervisor explained to Gerry that the tree is the responsibility of Mr. Satterfield.

Robert Riggs: 1) Suggested training someone to be able to read the flow monitors. Mayor Wes Merritt agreed council might want to consider.

2) Pennsboro Alumni Golf Association has donated $500.00 to paint the outside of the Pennsboro Gym. Robert mentioned getting inmates from the St. Mary Correctional Center to help with the painting.

3) Drain pipe for French Drain and gravel at Myles Stadium. Council discussed the size of drain pipe to install. Robert mentioned that he has a volunteer that will donate his time and equipment for the digging.

4) Robert & Charlene Sweeney went out and looked at streets that need to be blacktopped and numbered and marked them with orange paint. There are three or four storm drains that need to be raised up. Drain across Eleanor Street needs to be replace & will need blacktopped.

5) Robert will contact blacktop companies for bids, will need at least two bids. Council discussed blacktopping Broadwater Circle and McDougal Drive.

6) Fire hydrant at W. Myles Avenue (Bargain Cellar) and Clayton Street needs replaced. Valve will need to be installed when the one on W. Myles fire hydrant is replaced.

Council Member Jim Vogt made a motion to appoint Council Member Robert Riggs as the City's representative for Regional Council, seconded by Council Member Gerry Gatrell, motion passed unanimously.

Council Member Gerry Gatrell made a motion to appoint Charlene Sweeney as the City's representative for the EDA Board, seconded by Peggy Mahaney, motion passed unanimously.

Council Member Peggy Mahaney moved council approve payment of the bills as presented for July 2009, seconded by Council Member Jim Vogt, motion passed unanimously. **See list of bills **

Council Member Robert Riggs made a motion that council approve the list of write offs water and sewer bills (bad debts), seconded by Council Member Peggy Mahaney, motion passed unanimously. **See list of write offs **

Mayor Wesley Merritt appointed Council Member Robert Riggs in charge of Streets, Council Member Peggy Mahaney in charge of Parks & Recreation, Gerry Gatrell in charge of Water, and Jim Vogt in charge of Sewer.

Council Member Peggy Mahaney made a motion to go into executive session to discuss personnel, seconded by Council Member Robert Riggs, motion passed unanimously.

No action was taken upon returning from executive session.

Meeting was adjourned by Mayor Wesley Merritt.

Wesley Merritt, Mayor

Rebecca Talkington, City Clerk

Council Member Gerry Gatrell questioned if the drainage problem had been taken care of for Joni Fisher at 702 East Penn Avenue. The problem is at the corner of East Penn & Willow Street. Sam Cokeley stated that it had not been taken care. He mentioned that for a few weeks they were short a man and they have just been busy. Mayor Wes Merritt stated that we have a big sewer project that needs to be done and we do not want to wait until bad weather.

NEW BUSINESS:

Mike Davis Engineer with Burgess & Niple presented to council the bids that were received for the Waste Water Treatment Improvements Phase I. Four bids were received. He stated that all four bids were close. Richard Hayhurst stated that all four companies were reputable companies. Mr. Davis mentioned that the Stimulus application has been completed. Contract with Specialty Piping Contractors cannot be committed until Stimulus money of $2,801,000 is approved.

Council Member Peggy Mahaney moved that council accept the Sanitary Board recommendation to reward the bid to Specialty Piping Contractors, Inc. of Davisville, West Virginia in the amount of $2,485,556.19 for the Waste Water Treatment Improvements Project Phase I subject to funding, seconded by Council Member Robert Riggs, motion passed unanimously.

Council Member Jim Vogt made a motion that council accepts the ***Amendment No 1 to Engineering Agreement with Burgess & Niple for the Waste Water Improvements Project Phase I*** due to change order, seconded by Council Member Peggy Mahaney, motion passed unanimously.

Council Member Robert Riggs made a motion for the City of Pennsboro to continue participation in the Senior Community Service Employment Program (SCSEP) at the cost of $475.00 from July 1, 2009 through June 30, 2010, employing Anna Jean Brookover, seconded by Council Member Gerry Gatrell, and passed unanimously.

Council Member Peggy Mahaney made a motion that City Clerk Rebecca Talkington and Billing Clerk Joyce Cain attends the Appalachian Software Users Conference to be held at Snowshoe Saturday, September 12, 2009 at a cost of $159.00 each for the conference, seconded by Council Member Robert Riggs, and passed unanimously.

Council Members discussed Charles Collins moving a trailer from Glendale to 206 Premier Avenue. Pictures were presented to council. Council Member Gerry Gatrell made a motion that council deny the request of the trailer being moved to 206 Premier Avenue, seconded by Peggy Mahaney, and passed unanimously.

Council Member Robert Riggs made a motion that Sewer Depreciation Reserve CD #13644 for $10,000.00 be cashed and deposited in the sewer fund for sewer expenses, seconded by Council Member Peggy Mahaney, and passed unanimously.

MAYOR'S REPORT:

Wes Merritt: The sewer project was split into two phases due to the fact that the City could not afford it all in one project. There was no way of knowing exactly what size the sewer plant needed to be. The flow monitors helped make an estimate, but they were not accurate enough to base that kind of project. Hopefully when Phase I is complete part of the sewer line will be replaced which is a big contributor to the over loading to the sewer plant. The line will be replaced from Hayhurst Equipment to the sewer plant. When all of the line is replaced the City will be asking the DEP for a time frame to allow the City to evaluate what has been done and what the flow will be. At this point we will have better equipment in place to be able to measure the flow. With this information we can more accurately estimate what size plant we will need. This is why it was split into two projects.

COUNCIL CONCERNS:

Peggy Mahaney: Jeff Boylen has been mowing along edge of the road at Dotson Heights along Pike

July 27, 2009

The Pennsboro City Council met in special session by phone Monday, July 27, 2009 at the City Building at 1:00 PM with the following in attendance:

Mayor:	Wesley Merritt
Council Members:	Mary E. Mahaney "Peggy"
	Geraldine Gatrell "Gerry"
	Robert Riggs
	Jim Vogt
City Clerk:	Rebecca Talkington "Beckie"

Council Member Peggy Mahaney made a motion for Council to accept the proposal of the ***second reading*** and act upon a proposed ***Bond Ordinance*** providing for the issuance of its Sewer Revenue Bonds, Series 2009 A (the "Bonds"). The proceeds of the Bonds will be used (1) to pay 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 (2) to pay certain costs of issuance of the Bonds. The Bonds are payable solely from revenues to be derived from the ownership and operation of the sewer system of the City, seconded by Council Member Gerry Gatrell, and passed unanimously.

Meeting adjourned.

Wesley Merritt, Mayor

Rebecca Talkington, City Clerk

The Pennsboro City Council met in regular session Monday, August 17, 2009 at the City Building. Mayor Wesley Merritt called the meeting to order at 7:30 PM with the following in attendance:

Mayor:	Wesley Merritt
Council Members:	Mary E. Mahaney "Peggy"
	Geraldine Gatrell "Gerry"
	Robert Riggs
	Jim Vogt
City Clerk:	Rebecca Talkington "Beckie"
Attorney:	Richard Hayhurst
Chief of Police:	Jeff Kennedy - Absent
News Reporters:	Kenna Davis, Pennsboro News & Missy Lamp, Ritchie Gazette
City Employees:	Junior McCullough & Sam Cokeley
Visitors:	Francis Sellers II and Charlene Sweeney

Council Member Peggy Mahaney moved the minutes of Monday, July 20, 2009 regular meeting and Monday, July 27, 2009 special meeting, be approved as read, seconded by Council Member Robert Riggs, and passed unanimously.

SAFETY:

Mayor Wes Merritt mentioned that school would be starting and residents needed to be careful and watch out for the children.

Council Member Peggy Mahaney mentioned that cars are parking close together on East Penn Avenue and her concern was that a child would dart out between cars without being seen. She is also concern with the speeding on Penn.

CONCERNS OF VISITORS:

Francis Sellers II came before council with the following concerns: (l) John Street grating at the end of the street is broken and needs to be replaced, (2) Water running across Fream Street at Larry Hinton's out of bank behind Tammy Hamilton's on Mountain Drive, his concern this winter the street will be a glare of ice. Sam Cokeley mentioned that he felt that Tammy Hamilton's pool is leaking. (3) House at 309 Fream Street previous owners Larry & Karen Griffin, the yard needs to be mowed. City Clerk Beckie Talkington mentioned that she had contacted Karen concerning ownership of the house. Karen stated that the bank owned the house and she was not sure which bank owned the property now since the bank changed hands. City Clerk will call assessor's office to find out who owns the property.

Charlene Sweeney EDA representative for the City of Pennsboro came before council to highlight items that were discussed at the meeting on August 6th. (1) EDA thanked the City for their donation, (2) Linda Bolin holding meeting on August 18th concerning crafts being sold by local individuals at Harrisville starting out as a non-profit and hoping to turn into a profit. Possibly using e-bay to sell some of the crafts. (3) Brenda Fisher of USDA and Bonnie Cline of Community Resource met on local housing improvements of properties and applying for grants for onsite septic system improvements loans through WV Housing Development Fund, (4) Starting September 26th Cairo will be having "Saturday on the Square", (5) September 2nd Ox Roast at Smithville, and (6) John & Donna Zidek hand blown glass with Titanium Iridescence at the old Taylor's Market on Main Street.

Council Member Robert Riggs mentioned that Ace Hardware now has City water on Route 50 through Ellenboro PSD.

BUILDING PERMITS:

Council Member Peggy Mahaney made motion that the following building permits be approved seconded by Council Member Robert Riggs, and passed unanimously.

Pam Yeater, 207 Fream Street/cover structure & general repairs
Bryan Davis, 110 Orchard Street/repair roof
Lynn Rollyson, 210 E. Raymond Ave/general repairs
Gail Cogar, 402 Park Drive/repair roof on garage & back porch
Juanita White, 106 Wells Avenue/general repairs
Jerald Cunningham, 306 Walnut Street/12x12 building

City Clerk Beckie Talkington mentioned that Jeannette Stone raised $70.00 and Larry Broadwater donated $5.00 to have the inside of dugouts concreted at Myles Stadium; Lewis Grimes from New Matamoros concreted the dugouts and only charged the amount that was raised and donated a total of $75.00.

Ellenboro Fire Department donated $1,000.00 to Myles Stadium.

Don & Kathy McCullough on behalf of Pennsboro United Methodist Church sent a thank you note to the City for mowing Tracy Lake for the Church picnic in July.

City Clerk Beckie Talkington stated that Nancy Baker at 116 School Drive called complaining about the house at 114 School Drive owned by Mavis Whitehair Moore (daughter of Robert & Marie Whitehair). She said that the windows are broken out and groundhogs are going under the house. Council suggested a letter be sent to the owners concerning the house.

Council Member Robert Riggs on behalf of the Pennsboro Volunteer Fire Department requested $11,800.00 of the fire fee for purchase of a new Rescue Truck, Gerry Gatrell made a motion for release of the fire fee funds to PVFD in the amount requested, seconded by Council Member Peggy Mahaney, motion passed unanimously.

Mayor Wesley Merritt appointed Council Member Peggy Mahaney as Treasurer of the City Council.

Council Member Peggy Mahaney moved council approve payment of the bills as presented for August 2009, seconded by Council Member Jim Vogt, motion passed unanimously.
**See list of bills **

Council Member Peggy Mahaney made a motion, seconded by Council Member Gerry Gatrell to cash in the Community Improvement CD #1553414 in the amount of $20,000.00. Reimbursing $10,000.00 that had been borrowed from the General Fund to pay expenses in 2008. Depositing the remaining $10,000.00 in the Community Improvement Fund and in which time the $10,000.00 is expensed out for Community Improvement the fund will be closed out and Community Improvement expenses will be paid out of the General Fund. Motion passed unanimously. The amount for cashing in the CD early will be $119.53.

Council Member Peggy Mahaney made a motion to go into executive session concerning personnel, seconded by Council Member Gerry Gatrell, motion passed unanimously.

No action was taken upon returning from executive session.

Meeting was adjourned by Mayor Wesley Merritt.

Wesley S. Merritt
Wesley Merritt, Mayor

Rebecca Talkington
Rebecca Talkington, City Clerk

WV MUNICIPAL BOND COMMISSION
1207 Quarrier Street
Suite 401
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 9/25/2009

ISSUE: City of Pennsboro
Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA)

ADDRESS: 422 Main Street, Pennsboro, West Virginia 26415 COUNTY: Ritchie

PURPOSE OF ISSUE:
New Money: X
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 9/25/2009
CLOSING DATE: 9/25/2009
ISSUE AMOUNT: $2,801,000
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: Samme Gee, Esquire
Phone: (304) 340-1318

CLOSING BANK:
Bank: Union Bank
Contact: Wendy
Phone: 304.659.2964

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Wesley S. Merritt
Position: Mayor
Phone: 304.659.2377

OTHER:
Agency: W.V. Department of Environmental Protection
Contact: Rosalile 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. Fun $
____ 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:

CITY OF PENNSBORO

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

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

Union Bank, Pennsboro, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of the City of Pennsboro (the "Issuer") enacted by the Issuer on August 17, 2009, and a Supplemental Resolution adopted by the Issuer on September 21, 2009 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), dated September 25, 2009, issued in the original aggregate principal amount of $2,801,000 (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 25th day of September, 2009.

UNION BANK

By: _____
Its: Authorized Officer

09.17.09
696750.00002

CITY OF PENNSBORO

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 City of Pennsboro Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), dated September 25, 2009, in the aggregate principal amount of $2,801,000 (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 25th day of September, 2009.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

05.29.09
696750.00002

CITY OF PENNSBORO

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 City of Pennsboro (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 September 25, 2009, in the principal amount of $2,801,000, 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 25th day of September, 2009.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

05.29.09
696750.00002

CITY OF PENNSBORO

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

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 25th day of September, 2009, by and between the City of Pennsboro, 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 $2,801,000 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 August 17, 2009, and a Supplemental Resolution of the Issuer duly adopted September 21, 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 exemption of interest on the Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

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

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

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

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

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

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

ISSUER: City of Pennsboro
422 Main Street
Pennsboro, West Virginia 26415
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.

10. This document may be executed in one or more counterparts each of which shall be deemed an original and all of which shall constitute but one and the same document.

[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.

CITY OF PENNSBORO

By: _____
Its: Mayor

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

05.29.09
696750.00002

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

CITY OF PENNSBORO

By: _____
Its: Mayor

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

05.29.09
696750.00002

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

Huntington

STATEMENT OF REGISTRAR'S FEES
Invoice Date September 25, 2009

City of Pennsboro
Account Number 6089001809

City of Pennsboro
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 September, 2009

****

TOTAL AMOUNT	$	500.00
TOTAL DUE	**$**	**500.00**

* 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
DEPARTMENT OF ENVIRONMENTAL PROTECTION
DIVISION OF WATER AND WASTE MANAGEMENT
601 57TH STREET SE
CHARLESTON, WV 25304-2345

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
WATER POLLUTION CONTROL PERMIT

NPDES PERMIT NO.: WV0025739
SUBJECT: Sewage

ISSUE DATE: May 27, 2009
EFFECTIVE DATE : June 26, 2009
EXPIRATION DATE: May 26, 2014
SUPERSEDES: Permit No. WV0025739 dated June 25, 2004

LOCATION: PENNSBORO (City) | Ritchie (County) | Little Kanawha River (Drainage Basin)

See the next page for a list of Outlets.

TO WHOM IT MAY CONCERN:

This is to certify that: PENNSBORO CITY OF
422 MAIN ST
PENNSBORO, WV 26415

is hereby granted a West Virginia NPDES Water Pollution Control Permit to: operate and maintain an existing 0.25 million gallon per day [MGD] wastewater collection and treatment facility which is further described as follows:

The wastewater collection system is comprised of gravity sewer line of various lengths and sizes [two (2) inch diameter, four (4) inch diameter, six (6) inch diameter, eight (8) inch diameter, 10 inch diameter and 12 inch diameter], 250 manholes, three (3) lift stations, force main line of various lengths and sizes [two (2) inch diameter and eight (8) diameter], and all requisite appurtenances.

The 0.25 MGD activated sludge wastewater treatment facility is comprised of a bar screen, a comminuitor, a 95,200 gallon aeration chamber, a blower, a 38,380 gallon clarifier with a surface area of 403 square feet, a 20,800 gallon chlorination and de-chlorination disinfection unit, a 9,000 gallon storm surge tank, and all necessary appurtenances.

Also, to acquire, construct, install, operate and maintain improvements to the existing City of Pennsboro wastewater treatment plant comprised of replacing the influent lift station, replacing the screening and grit removal system, modifying and supplementing the existing disinfection system with a new Ultraviolet disinfection system, a metering flume and an outfall structure.

The wastewater facility improvements shall be constructed in accordance with the plans and specifications approved by the WVDEP Engineering Branch on the 15th day of April 2009, prepared by Burgess & Niple, Inc.; 4424 Emerson Avenue; Parkersburg, West Virginia; and entitled "City of Pennsboro Wastewater Treatment Plant Improvements, Phase I"; Ritchie County, West Virginia; SRF Project No. C-5444409.

Facilities are to serve a population equivalent of approximately 1,500 persons in the Town of Pennsboro and discharge treated wastewater to Bunnell Run (approximately 4.7 miles from its mouth) of North Fork of Hughes River of the Little Kanawha River.

This permit is subject to the following terms and conditions :
The information submitted on and with Permit Application No. WV0025739 dated the 21st day of January 2009, and additional information received on February 13, 2009, are all hereby made terms and conditions of this Permit with like effect as if all such permit application information were set forth herein and with other conditions set forth in Sections A, B, C, D, E and Appendix A.

The validity of this permit is contingent upon the payment of the applicable annual permit fee, as required by Chapter 22, Article 11, Section 10 of the Code of West Virginia.

Inspectable Unit	Latitude	Longitude	Receiving Stream	Dist. to Stream Mouth (in Mile)	Milepost
001	39°16'35"	80°59'15"	BUNNELL RN	4.7	N/A
IU01	39°16'35"	80°59'15"	N/A	N/A	N/A
IU02	39°16'35"	80°59'15"	N/A	N/A	N/A
S01	39°16'35"	80°59'15"	N/A	N/A	N/A

A.001 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Interim Limitations

Summer May 1-Oct 31

During the period beginning June 26, 2009 and lasting through midnight June 26, 2011 the permittee is authorized to discharge from Outlet Number(s) 001 (Sanitary)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units	Other Units			Units	Measurement Frequency	Sample Type
Flow,in Conduit or thru plant (Year Round) (ML-1)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mgd	Continuous	measured
BOD, 5-Day 20 Deg.C (Summer May 1-Oct 31) (ML-B)	27.12 Avg. Monthly	54.24 Max. Daily	Lbs/Day	N/A	13 Avg. Monthly	26 Max. Daily	mg/l	1/month	8 hr comp
Total Suspended Solids (Year Round) (ML-A)	62.6 Avg. Monthly	125.2 Max. Daily	Lbs/Day	N/A	30 Avg. Monthly	60 Max. Daily	mg/l	1/month	8 hr comp
BOD,5-day % Rem,dry weather (Year Round) (ML-K)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	1/month	Calculated
BOD,5-day %Rem,wet weather (Year Round) (ML-K)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	1/month	Calculated
Solids,Susp.% Rem,dry weather (Year Round) (ML-K)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	1/month	Calculated
Solids,Susp.% Rem,wet weather (Year Round) (ML-K)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	1/month	Calculated
Coliform,Fecal (Year Round) (ML-A)	N/A	N/A	N/A	N/A	200 Mo. Geo. Mean	400 Max. Daily	mg/l	1/month	Grab
pH (Year Round) (ML-A)	N/A	N/A	N/A	6 Inst. Min.	N/A	9 Inst. Max.	S.U.	1/month	Grab

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Effluent BOD5 sampling shall be collected at a location immediately preceeding disinfection. All other effluent samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Title 47, Series 2, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.001 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Interim Limitations

Summer May 1-Oct 31

During the period beginning June 26, 2009 and lasting through midnight June 26, 2011 the permittee is authorized to discharge from Outlet Number(s) 001 (Sanitary)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units		Other Units		Units	Measurement Frequency	Sample Type
Dissolved Oxygen (Year Round) (ML-A)	N/A	N/A	N/A	6 Inst. Min.	N/A	N/A	mg/l	1/month	Grab
Ammonia Nitrogen (Summer May 1-Oct 31) (ML-A)	4.17 Avg. Monthly	8.35 Max. Daily	Lbs/Day	N/A	2 Avg. Monthly	4 Max. Daily	mg/l	1/month	8 hr comp
Chlorine, Total Residual (Year Round) (ML-A)	N/A	N/A	N/A	N/A	0.009 Avg. Monthly	0.018 Max. Daily	mg/l	1/month	Grab
Copper, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	8 hr comp
Lead, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	8 hr comp
Zinc, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	8 hr comp

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):

Effluent BOD5 sampling shall be collected at a location immediately preceeding disinfection. All other effluent samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Title 47, Series 2, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.001 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Interim Limitations

Winter Nov 1-Apr 30

During the period beginning June 26, 2009 and lasting through midnight June 26, 2011 the permittee is authorized to discharge from Outlet Number(s) 001 (Sanitary)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units	Other Units			Units	Measurement Frequency	Sample Type
Flow,in Conduit or thru plant (Year Round) (ML-1)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mgd	Continuous	measured
BOD, 5-Day 20 Deg.C (Winter Nov 1-Apr 30) (ML-B)	55.08 Avg. Monthly	110.16 Max. Daily	Lbs/Day	N/A	26.4 Avg. Monthly	52.8 Max. Daily	mg/l	1/month	8 hr comp
Total Suspended Solids (Year Round) (ML-A)	62.6 Avg. Monthly	125.2 Max. Daily	Lbs/Day	N/A	30 Avg. Monthly	60 Max. Daily	mg/l	1/month	8 hr comp
BOD,5-day % Rem,dry weather (Year Round) (ML-K)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	1/month	Calculated
BOD,5-day %Rem,wet weather (Year Round) (ML-K)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	1/month	Calculated
Solids,Susp.% Rem,dry weather (Year Round) (ML-K)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	1/month	Calculated
Solids,Susp.% Rem,wet weather (Year Round) (ML-K)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	1/month	Calculated
Coliform, Fecal (Year Round) (ML-A)	N/A	N/A	N/A	N/A	200 Mo. Geo. Mean	400 Max. Daily	mg/l	1/month	Grab
pH (Year Round) (ML-A)	N/A	N/A	N/A	6 Inst. Min.	N/A	9 Inst. Max.	S.U.	1/month	Grab

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Effluent BOD5 sampling shall be collected at a location immediately preceeding disinfection. All other effluent samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Title 47, Series 2, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.001 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Interim Limitations

Winter Nov 1-Apr 30

During the period beginning June 26, 2009 and lasting through midnight June 26, 2011 the permittee is authorized to discharge from Outlet Number(s) 001 (Sanitary)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units		Other Units		Units	Measurement Frequency	Sample Type
Dissolved Oxygen (Year Round) (ML-A)	N/A	N/A	N/A	6 Inst. Min.	N/A	N/A	mg/l	1/month	Grab
Ammonia Nitrogen (Winter Nov 1-Apr 30) (ML-A)	8.35 Avg. Monthly	16.7 Max. Daily	Lbs/Day	N/A	4 Avg. Monthly	8 Max. Daily	mg/l	1/month	8 hr comp
Chlorine, Total Residual (Year Round) (ML-A)	N/A	N/A	N/A	N/A	0.009 Avg. Monthly	0.018 Max. Daily	mg/l	1/month	Grab
Copper, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	8 hr comp
Lead, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	8 hr comp
Zinc, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	8 hr comp

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):

Effluent BOD5 sampling shall be collected at a location immediately preceeding disinfection. All other effluent samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Title 47, Series 2, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.001 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Summer May 1-Oct 31

During the period beginning June 27, 2011 and lasting through midnight May 26, 2014 the permittee is authorized to discharge from Outlet Number(s) 001 (Sanitary)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units	Other Units			Units	Measurement Frequency	Sample Type
Flow,in Conduit or thru plant (Year Round) (ML-1)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mgd	Continuous	measured
BOD, 5-Day 20 Deg.C (Summer May 1-Oct 31) (ML-B)	27.12 Avg. Monthly	54.24 Max. Daily	Lbs/Day	N/A	13 Avg. Monthly	26 Max. Daily	mg/l	1/month	8 hr comp
Total Suspended Solids (Year Round) (ML-A)	62.6 Avg. Monthly	125.2 Max. Daily	Lbs/Day	N/A	30 Avg. Monthly	60 Max. Daily	mg/l	1/month	8 hr comp
BOD,5-day % Rem,dry weather (Year Round) (ML-K)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	1/month	Calculated
BOD,5-day %Rem,wet weather (Year Round) (ML-K)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	1/month	Calculated
Solids,Susp.% Rem,dry weather (Year Round) (ML-K)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	1/month	Calculated
Solids,Susp.% Rem,wet weather (Year Round) (ML-K)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	1/month	Calculated
Coliform, Fecal (Year Round) (ML-A)	N/A	N/A	N/A	N/A	200 Mo. Geo. Mean	400 Max. Daily	mg/l	1/month	Grab
pH (Year Round) (ML-A)	N/A	N/A	N/A	6 Inst. Min.	N/A	9 Inst. Max.	S.U.	1/month	Grab

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Effluent BOD5 sampling shall be collected at a location immediately preceeding disinfection. All other effluent samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Title 47, Series 2, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.001 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Summer May 1-Oct 31

During the period beginning June 27, 2011 and lasting through midnight May 26, 2014 the permittee is authorized to discharge from Outlet Number(s) 001 (Sanitary)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units		Other Units		Units	Measurement Frequency	Sample Type
Dissolved Oxygen (Year Round) (ML-A)	N/A	N/A	N/A	6 Inst. Min.	N/A	N/A	mg/l	1/month	Grab
Ammonia Nitrogen (Summer May 1-Oct 31) (ML-A)	4.17 Avg. Monthly	8.35 Max. Daily	Lbs/Day	N/A	2 Avg. Monthly	4 Max. Daily	mg/l	1/month	8 hr comp
Chlorine, Total Residual (Year Round) (ML-A)	N/A	N/A	N/A	N/A	0.009 Avg. Monthly	0.018 Max. Daily	mg/l	1/month	Grab
Copper, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	0.007 Avg. Monthly	0.018 Max. Daily	mg/l	1/month	8 hr comp
Lead, Total Recoverable (Year Round), (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	8 hr comp
Zinc, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	0.039 Avg. Monthly	0.117 Max. Daily	mg/l	1/month	8 hr comp

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Effluent BOD5 sampling shall be collected at a location immediately preceeding disinfection. All other effluent samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Title 47, Series 2, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.001 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Winter Nov 1-Apr 30

During the period beginning June 27, 2011 and lasting through midnight May 26, 2014 the permittee is authorized to discharge from Outlet Number(s) 001 (Sanitary)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units		Other Units		Units	Measurement Frequency	Sample Type
Flow,in Conduit or thru plant (Year Round) (ML-1)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mgd	Continuous	measured
BOD, 5-Day 20 Deg.C (Winter Nov 1-Apr 30) (ML-B)	55.08 Avg. Monthly	110.16 Max. Daily	Lbs/Day	N/A	26.4 Avg. Monthly	52.8 Max. Daily	mg/l	1/month	8 hr comp
Total Suspended Solids (Year Round) (ML-A)	62.6 Avg. Monthly	125.2 Max. Daily	Lbs/Day	N/A	30 Avg. Monthly	60 Max. Daily	mg/l	1/month	8 hr comp
BOD,5-day % Rem,dry weather (Year Round) (ML-K)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	1/month	Calculated
BOD,5-day %Rem,wet weather (Year Round) (ML-K)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	1/month	Calculated
Solids,Susp.% Rem,dry weather (Year Round) (ML-K)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	1/month	Calculated
Solids,Susp.% Rem,wet weather (Year Round) (ML-K)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	1/month	Calculated
Coliform, Fecal (Year Round) (ML-A)	N/A	N/A	N/A	N/A	200 Mo. Geo. Mean	400 Max. Daily	mg/l	1/month	Grab
pH (Year Round) (ML-A)	N/A	N/A	N/A	6 Inst. Min.	N/A	9 Inst. Max.	S.U.	1/month	Grab

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Effluent BOD5 sampling shall be collected at a location immediately preceeding disinfection. All other effluent samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Title 47, Series 2, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.001 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Winter Nov 1-Apr 30

During the period beginning June 27, 2011 and lasting through midnight May 26, 2014 the permittee is authorized to discharge from Outlet Number(s) 001 (Sanitary)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units		Other Units		Units	Measurement Frequency	Sample Type
Dissolved Oxygen (Year Round) (ML-A)	N/A	N/A	N/A	6 Inst. Min.	N/A	N/A	mg/l	1/month	Grab
Ammonia Nitrogen (Winter Nov 1-Apr 30) (ML-A)	8.35 Avg. Monthly	16.7 Max. Daily	Lbs/Day	N/A	4 Avg. Monthly	8 Max. Daily	mg/l	1/month	8 hr comp
Chlorine, Total Residual (Year Round) (ML-A)	N/A	N/A	N/A	N/A	0.009 Avg. Monthly	0.018 Max. Daily	mg/l	1/month	Grab
Copper, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	0.007 Avg. Monthly	0.018 Max. Daily	mg/l	1/month	8 hr comp
Lead, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	8 hr comp
Zinc, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	0.039 Avg. Monthly	0.117 Max. Daily	mg/l	1/month	8 hr comp

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Effluent BOD5 sampling shall be collected at a location immediately preceeding disinfection. All other effluent samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Title 47, Series 2, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.IU01 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Year Round

During the period beginning June 26, 2009 and lasting through midnight May 26, 2014 the permittee is authorized to accept the discharge from Outlet Number(s) IU01 (Pretreatment - Non Significant Industrial User)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units		Other Units		Units	Measurement Frequency	Sample Type
Flow Rate (Year Round) (ML-4)	Rpt Only Avg. Monthly	1000 Max. Daily	gpd	N/A	N/A	N/A	N/A	1/daily	Estimated
Total Suspended Solids (Year Round) (ML-4)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	250 Max. Daily	mg/l	1/month	Comp
pH (Year Round) (ML-4)	N/A	N/A	N/A	6 Inst. Min.	N/A	9 Inst. Max.	S.U.	1/month	Grab
Oil and Grease, Hexane EXTR. (Year Round) (ML-4)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	30 Max. Daily	mg/l	1/month	Grab

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Hayhurst Equipment. Refer to Section E.2.a.1 and E.2.b.1 for additional sampling requirements.

A.S01 SEWAGE SLUDGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Year Round

During the period beginning June 26, 2009 and lasting through midnight May 26, 2014 the permittee is authorized to dispose sludge in accordance with the following from Outlet Number S01 (Sludge)

Effluent Characteristic	Quantity		Units	Limitations	Other Units		Units	Monitoring Requirements: Measurement Frequency	Monitoring Requirements: Sample Type
Coliform, Fecal (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	col/gr	1/6 months	Grab
pH (Year Round) (ML-+)	N/A	N/A	N/A	Rpt Only Min.	N/A	Rpt Only Max.	S.U.	1/6 months	Grab
Arsenic, Sludge Tot. Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	20 Max.	mg/kg	1/6 months	1/wk Comp
Cadmium,Sludge,Tot Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	39 Max.	mg/kg	1/6 months	1/wk Comp
Chromium, Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	1000 Max.	mg/kg	1/6 months	1/wk Comp
Copper,Sludge,Tot,Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	1500 Max.	mg/kg	1/6 months	1/wk Comp
Lead, Dry. Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	250 Max.	mg/kg	1/6 months	1/wk Comp
Mercury, Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	10 Max.	mg/kg	1/6 months	1/wk Comp
Molybdenum,Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	18 Max.	mg/kg	1/6 months	1/wk Comp

A.S01 SEWAGE SLUDGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Year Round

During the period beginning June 26, 2009 and lasting through midnight May 26, 2014 the permittee is authorized to dispose sludge in accordance with the following from Outlet Number S01 (Sludge)

Effluent Characteristic	Quantity		Units	Limitations	Other Units		Units	Monitoring Requirements Measurement Frequency	Sample Type
Nickel, Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	200 Max.	mg/kg	1/6 months	1/wk Comp
Selenium,Sludge,Tot. Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	36 Max.	mg/kg	1/6 months	1/wk Comp
Zinc, Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	2800 Max.	mg/kg	1/6 months	1/wk Comp
Calcium, Total (as Ca) (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/6 months	1/wk Comp
Solids, Total Sludge Percent (Year Round) (ML-+)	N/A	N/A	N/A	Rpt Only Min.	Rpt Only Avg.	Rpt Only Max.	Percent	1/6 months	1/wk Comp
Potassium, Sludge Tot. Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/6 months	1/wk Comp
Phosphorus,Sludge,Tot,Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/6 months	1/wk Comp
Nitrogen, Ammonia Tot. DW (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/6 months	1/wk Comp
Nitrogen, Sludge Tot. Dry Wt (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/6 months	1/wk Comp

A.S01 SEWAGE SLUDGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Year Round

During the period beginning June 26, 2009 and lasting through midnight May 26, 2014 the permittee is authorized to dispose sludge in accordance with the following from Outlet Number S01 (Sludge)

Effluent Characteristic	Limitations							Monitoring Requirements	
	Quantity		Units		Other Units		Units	Measurement Frequency	Sample Type
Organic Nitrogen (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/6 months	1/wk Comp
Magnesium,Tot (as Mg) (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/6 months	1/wk Comp

B. SCHEDULE OF COMPLIANCE

1. **The permitee shall achieve compliance with the provisions for waste treatment and the monitoring requirements specified in the permit in accordance with the following schedule :**

   Effective date of permit.

2. **Reports of compliance or non-compliance with, and progress reports on interim and final requirements contained in the above compliance schedule, if any, shall be postmarked no later than 14 days following each schedule date.**

Section C - Other Requirements

01. The herein-described treatment works, structures, electrical and mechanical equipment shall be adequately protected from physical damage by the maximum expected one hundred (100) year flood level and operability be maintained during the twenty-five (25) year flood level.

02. The entire sewage treatment facility shall be adequately protected by fencing.

03. The proper operation and maintenance of the listed sewage treatment facility shall be performed, or supervised, by a certified operator possessing at least a Class II certificate for Waste Water Treatment Plant Operators as issued by the State of West Virginia. The on-site attendance of this facility's Class II operator shall be determined and directed by the Bureau for Public Health, Office of Environmental Health Services.

04. The arithmetic mean of values for effluent samples collected in a seven consecutive day period shall not exceed 45.0 mg/l for TSS. Furthermore, the permittee may submit mitigating factors as an attachment to its DMRs related to an excursion of this requirement. The Director may choose to take those mitigating factors into consideration in determining whether enforcement action is required.

05. The permittee shall submit each month according to the enclosed format, a Discharge Monitoring Report (DMR) indicating in terms of concentration and/or quantities the values of the constituents listed in Section A analytically determined to be in the plant effluent(s). Additional information pertaining to effluent monitoring and reporting can be found in Section III of Appendix A.

06. The required DMRs should be received no later than 20 days following the end of the reporting period and be addressed to:

    Director
    Division of Water and Waste Management
    601 57th Street, SE
    Charleston, West Virginia 25304
    Attn: Permitting Branch

07. The permittee shall not accept any new non-domestic discharges without first obtaining approval from the Director of the Division of Water and Waste Management as provided in Title 47, Series 10, Section 14 of the West Virginia Legislative Rules.

08. If any existing non-domestic discharge causes, or is suspected of causing, interference or pass through (as defined by 40 CFR 403.3) or otherwise violates any provision of 40 CFR 403, the permittee shall notify the Director of such violation or suspected violation.

09. If any existing non-domestic discharge is identified as being subject to Categorical Pretreatment Standard under 40 CFR Chapter 1, Subchapter N, and the discharge is not regulated by this permit, the permittee shall notify the Director of such identification.

10. The average daily design flow of the Publicly Owned Treatment Works has been established at 250,000 gallons per day. When the average monthly effluent flow reported on the permittee's Discharge Monitoring Reports reaches or exceeds 225,000 gallons per day (90 percent of the average design flow) during three (3) consecutive monthly periods, the permittee shall submit a Plan of Action to the Director. The Plan of Action shall present, at a minimum, an analysis of current hydraulic and organic loadings on the plant, an analysis of the future projected loadings, and a Schedule of Tasks to accomplish procedures necessary to maintain required treatment levels.

11. Any future collection system extensions projected to cause an increase in the wastewater flow, shall require the permittee to contact the Director to secure approval of the extension. After consideration of the complexity of the project, and the available treatment capacity of the facility, the Director may require the permittee to seek approval through Modification of the Permit.

12. Effluent monitoring for the following pollutants shall be conducted using the most sensitive methods and detection levels commercially available and economically feasible. The following methods are to be used unless the permittee desires to use an EPA Approved Test Method with a listed lower method detection level. Regardless, it is recognized that detection levels can vary from analysis to analysis and that non-detect results at a different MDL for the specified test method would not constitute a permit violation.

Parameter	EPA Method No.	Method Detection Level (ug/l)
Copper, Total Recoverable	200.8	0.5
Lead, Total Recoverable	200.8	0.6
Zinc, Total Recoverable	200.8	1.8

Section C - Other Requirements

13. The analytical test procedures, set forth in 40 CFR Part 136, prescribe colorimetric methods for certain parameters. The digestion process for the performance of total recoverable is not sufficient for the utilization of a colorimetric procedure. Therefore, colorimetric procedures shall not be acceptable for the analysis of parameters prescribed as total recoverable.

14. Over the term of this permit, the permittee is allowed up to one (1) excursion of the maximum daily fecal coliform effluent limitation prescribed in Section A.001 (Final Requirements). The number of allowed excursions is based upon one (1) percent of the number of required self-monitoring events. Utilization of the excursion allowance is conditioned as follows.

    a. Excursion allowances are afforded only to self-monitoring results and only when self-monitoring activities assess compliance with the maximum daily effluent limitation by analysis of an individual grab sample. No excursion allowance can be applied to analytical results obtained by representatives of the Director in the performance of their compliance assessment activities. Additionally, representatives of the Director may assess compliance with the maximum daily effluent limitation by collection and analysis of an individual grab sample.

    b. The excursion allowance is contingent upon the permittee's prompt return to compliance as evidenced by the next required fecal coliform self-monitoring event.

    c. The result for which an excursion allowance is claimed shall be included in the calculation of the average monthly effluent value.

    d. Should an excursion allowance be utilized by the permittee, said allowance must be reported as an attachment to the Discharge Monitoring Report. This attachment should state that (1) an excursion allowance was taken in accordance with the conditions outlined above, (2) the total number of allowances taken to date during the term of this permit, and (3) the total number of allowances remaining during the term of this permit. The permittee shall maintain an on-site record of the excursion allowances utilized during the term of the permit.

15. The permittee shall be required to test the sewage treatment plant's influent in order to calculate the percent (%) removal parameters for BOD5 and TSS contained in Section A.001 of this permit. Influent sampling requirements include:

    a. Percent removal shall be defined as a percentage expression of the removal efficiency across the wastewater treatment plant for a given pollutant parameter, as determined from the thirty day average values of the influent concentrations to the facility and the thirty day average effluent pollutant concentrations. Only influent and effluent samples taken concurrently as specified below shall be used for reporting.

    b. Influent BOD5 and TSS samples shall be collected using the permittee's established sampling schedule at least one time per month (1/month) for the wastewater treatment facility.

    c. The permittee shall collect representative BOD and TSS influent samples using their established sampling procedures over an eight (8) hour period.

    d. Influent BOD5 and TSS sampling shall be performed over the same eight (8) hour time period as the effluent BOD5 and TSS sampling.

16. Any "not detected (ND)" results by the permittee must be "ND" at the method detection limit (MDL) for the test method used for that parameter and must be reported as less than the MDL used. The permittee may not report the result as zero, "ND", or report the result as less than a minimum level (ML), reporting limit (RL), or practical quantitation limit (PQL).

    When averaging values of analytical results for DMR reporting purposes for monthly averages, the permittee should use actual analytical results when these results are greater than or equal to the MDL and should use zero (0) when these results are less than the MDL. If all analytical results are non-detect at the MDL (<MDL), then the permittee should use the actual MDL in the calculation for averaging and report the result as less than the average calculation.

Section C - Other Requirements

17. In incidences where a specific test method is not defined, the permittee shall utilize an EPA approved method with a method detection limit (MDL) sensitive enough to confirm compliance with the permit effluent limit for that parameter. If a MDL is not sensitive enough to confirm compliance, the most sensitive approved method must be used. If a more sensitive EPA approved method becomes available, that method shall be used. Should the current and/or new method not be sensitive enough to confirm compliance with the permitted effluent limit, analytical results reported as "not detected" at the MDL of the most sensitive method available will be deemed compliant for purposes of permit compliance. Results shall be reported on the Discharge Monitoring Reports as a numeric value less than the MDL.
18. The permittee shall not use alternate DMRs without prior approval from this Agency.
19. Available sampling methods for total residual chlorine (TRC) are currently not sensitive enough to confirm compliance with the permit limitations imposed for the new treatment plant. Total residual chlorine (TRC) samples shall be taken, preserved and analyzed in accordance with the latest edition of 40 CFR Part 136. Because the permittee does not operate a certified wastewater laboratory at the plant site but still must comply with the instantaneous sample-type requirements, the permittee shall use an EPA Approved Method with at least a method detection level (MDL) of 100 ug/l. Any TRC sampling result reported as less than the MDL stated above shall be assumed to confirm compliance for purposes of permit compliance. Should a more sensitive EPA approved method become available for field analysis of TRC, the permittee shall perform TRC self-monitoring in accordance with the new method. If the new method is not sensitive enough to determine compliance with specified TRC limits, analytical results reported as "not detected" at the MDL of the new method will be deemed compliant for purposes of permit compliance.
20. Ninety days after the issuance date of this permit, the permittee shall submit a Plan of Action on obtaining compliance at Outlet No. 001 (final effluent limitations for copper and zinc). The permittee shall submit quarterly progress reports thereafter and be compliant with final limitations for Outlet No. 001 within 24 months after the issuance date of this permit.
21. The permittee shall continue to implement a program to identify and eliminate sources of inflow and infiltration. On or before 90 days, the Permittee shall submit to the Director a written Plan of Action that stipulates specific tasks and compliance dates for the implementation of the program. A written progress report shall be provided on a quarterly basis, as an attachment to the Discharge Monitoring Report, detailing what has been performed in relation to the implementation and accomplishments of the inflow and infiltration elimination program. Failure of the permittee to comply with this requirement shall result in subsequent administrative and/or legal action, as may be necessary in order to obtain the compliance sought herein.
22. Unless otherwise authorized under Section A of this permit, any discharge from any point other than a permitted treatment outfall or permitted combined sewer system is expressly prohibited. In the event there is a prohibited discharge from a sewer conveyance system, the permittee shall follow the reporting requirements contained in Appendix A, Part IV, Section 2.

Section D - Sewage Sludge Management Requirements

01. The permittee shall monitor and report monthly on the enclosed Sewage Sludge Management Report form the quality and quantity of sewage sludge produced. The required report shall be received no later than 20 days following the end of the reporting period and be addressed to:

Director
Division of Water and Waste Management
601 57th Street SE
Charleston, West Virginia 25304
Attention: Permitting Program

02. The permittee shall provide copies of monthly reports to the county or regional solid waste authority in which the facility or land application site(s) is located.

03. The Sewage Sludge Monitoring Report form shall be submitted semiannually. The required report shall be received no later than 20 days following the end of the reporting period and shall be addressed to:

Director
Division of Water and Waste Management
601 57th Street SE
Charleston, West Virginia 25304
Attention: Permitting Program

04. The following method(s) of sludge disposal shall be used for sewage sludge generated and/or processed at the permitted facility:

a. Land Application: Sewage sludge shall not be applied in a manner or in an amount that would cause the land application site(s) to exceed the annual, five (5) year cumulative, and lifetime loading rates as listed below. The following site(s) may be used for land application:

Land Application Site(s)	Maximum Annual Loading Rate(s) Tons/Acre	Five (5) Year Cumulative Loading Rate(s) Tons/Acre	Lifetime Loading Rate(s) Tons/Acre
Dale Taylor			
Field Peck	3.1	12.6	140
Field WHF 2 & 3	3.1	12.6	140
Field GF 2	3.1	12.6	140

b. Landfill Disposal: Sewage sludge may also be disposed at a landfill by placing the sewage sludge in the landfill cell, provided that the landfill obtains approval from the Division of Water and Waste Management to allow the acceptance of sewage sludge from the permittee, and provided that the landfill(s) is/are identified in the permit application. Prior approval by the Division of Water and Waste Management is required to change landfill disposal site(s).

05. Sewage sludge shall not be applied to land that has any of the following siting restrictions and/or location standards:

a. Land that is frozen, snow-covered, or known to be flooded on a regular basis unless the applicant can demonstrate to the Secretary that the land application will not cause runoff into streams or wetlands.

b. Land that is within 50 feet of surface water including any streams, springs, ponds, wetlands, or other collection points for surface water.

c. Land that is within 200 feet of drinking water supply wells or other personal water supply.

d. Land that is within 200 feet of an occupied dwelling.

e. Land that is within 50 feet of a federal or state highway.

f. Land that is within 100 feet of an adjacent property owner's property line.

g. Land that drains into a sinkhole.

h. Land that has been tested and determined to have a pH of less than 6.2 S.U., unless the pH is adjusted to 6.2 S.U. or greater.

i. Land that has a slope greater than 15 percent.

Section D - Sewage Sludge Management Requirements

05. j. Land that has a seasonal high groundwater table less than two (2) feet from the surface.

k. Land that has less than 6 inches of soil over bedrock or an impervious pan.

l. Land that contains soil with surface permeability of less than 0.6 inches/hour or greater than 6 inches/hour.

m. Land that, if sewage sludge was applied, is likely to adversely affect a threatened or endangered species listed under Section 4 of the Endangered Species Act or its designated critical habitat.

n. Other land determined by the Secretary to be unsuitable for application of sewage sludge.

06. The following requirements concerning crops grown on land used for application of sewage sludge, the time requirements between application of sewage sludge and the harvesting of crops, and the restrictions on animal grazing and public access shall be met:

a. Food crops with harvested parts that touch the sewage sludge/soil mixture and are totally above the land surface shall not be harvested for 14 months after application of sewage sludge.

b. Food crops with harvested parts below the surface of the land shall not be harvested for 20 months after application of sewage sludge when the sewage sludge remains on the land surface for four (4) months or longer prior to incorporation into the soil.

c. Food crops with harvested parts below the surface of the land shall not be harvested for 38 months after application of sewage sludge when the sewage sludge remains on the land surface for less than four (4) months prior to incorporation into the soil.

d. Food crops (human consumption), feed crops (animal consumption), and fiber crops shall not be harvested for 30 days after application of sewage sludge.

e. Animals shall not be allowed to graze on the land for 30 days after application of sewage sludge.

f. Turf grown on land where sewage sludge is applied shall not be harvested for one (1) year after application of the sewage sludge when the harvested turf is placed on either land with a high potential for public exposure or a lawn, unless otherwise specified by the permitting authority.

g. Public access to land with a high potential for public exposure shall be restricted for one year after application of sewage sludge.

h. Public access to land with a low potential for public exposure shall be restricted for 30 days after application of sewage sludge.

07. Sewage sludge shall not be stored at a land application site for a period longer than one week; except, storage can be allowed for a period not to exceed three months when provisions, approved by the Director of the Division of Water and Waste Management of the Department, are made to prevent leachate runoff to the surface water and/or groundwater.

08. Sewage sludge shall only be land applied during the hours of daylight.

09. Sewage sludge which is land applied shall not contain excessive amounts of other solid waste materials, as defined in Title 33, Series 2, Section 2.34 of the Legislative Rules.

10. Areas used for processing, curing, and/or storage of sewage sludge shall be designed, constructed and operated to prevent release of contaminants to the groundwater and/or surface water.

11. The land application site(s) shall maintain the soil pH at a minimum of 6.2 S.U. for at least five (5) years from the date of application. The soil pH and soil nutrients shall be monitored once per year by obtaining a composite sample of each field utilized for land application during the previous year. The composite samples shall be made up of a minimum of four (4) aliquots taken at locations equally spaced through the land application site(s). The samples may be analyzed through the WVU Extension Service or by other certified laboratories.

12. All analyses performed on soils and sewage sludges shall be analyzed in accordance with analytical methods listed in 40 CFR Part 503.8 except that Nutrients may be analyzed in accordance with the most recently approved edition of Standard Methods and pH may be analyzed using EPA Method 9045A. Additionally, Fecal Coliform samples shall be prepared for analysis by using the method described in EPA 625R-92/013, Appendix F.

ACORD CERTIFICATE OF LIABILITY INSURANCE

INSURED COPY

DATE (MM/DD/YY) 09/15/09

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.

PRODUCER
WV BOARD OF RISK & INSURANCE MGT.
90 MACCORKLE AVE. SW, SUITE 203
SOUTH CHARLESTON, WV 25303

INSURERS AFFORDING COVERAGE

INSURER A: NATIONAL UNION FIRE CO OF PITTSBURGH, PA
INSURER B:
INSURER C:
INSURER D:
INSURER E:

INSURED
City of Pennsboro
422 Main Street
Pennsboro, WV 26415

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 LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR X WRONGFUL ACT X PROFESSIONAL GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC	L0457 P0457	07/01/2009	07/01/2010	EACH OCCURRENCE FIRE DAMAGE (Any one fire) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 100,000 $ 0 $ INCLUDED $ N/A $ N/A
A	AUTOMOBILE LIABILITY ANY AUTO X ALL OWNED AUTOS X SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS		07/01/2009	07/01/2010	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
	GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EA ACC AGG	$ $ $
	EXCESS LIABILITY OCCUR CLAIMS MADE DEDUCTIBLE RETENTION $				EACH OCCURRENCE AGGREGATE	$ $ $ $ $
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY STOPGAP		07/01/2009	07/01/2010	WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ $ $
B	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

SUBJECT TO THE PROVISIONS, CONDITIONS AND EXCLUSIONS OF THE POLICIES LISTED ABOVE, IT IS AGREED THAT THE CERTIFICATE HOLDER IS AN "ADDITIONAL INSURED" WITH RESPECTS TO:

CERTIFICATE HOLDER

ADDITIONAL INSURED; INSURER LETTER:

WV Water Development Authority
180 Association Drive
Charleston, WV 25311

CANCELLATION

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 DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE Jerry Stadwell

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State of West Virginia
Joe Manchin III
Governor

Office of the Governor
State Capitol
1900 Kanawha Boulevard, East
Charleston, WV 25305

Telephone: (304) 558-2000
Toll Free: 1-888-438-2731
FAX: (304) 342-7025
www.wvgov.org

February 1, 2008

The Honorable Wesley Merritt
Mayor
City of Pennsboro
422 Main Street
Pennsboro, West Virginia 26146

Dear Mayor Merritt:

Thank you for your application to the Small Cities Block Grant Program.

Your request has been approved in the amount of $200,000 for a Design and Administration Grant. These funds will enable you to complete the engineering design and required administrative services to make improvements to the town's wastewater treatment plant and collection system.

In order to effectively utilize the limited dollars available, the West Virginia Development Office has launched a new program to assist communities with the engineering and administrative components of selected projects. This grant does not secure funding for the balance of the request in your application. The designed project must be resubmitted and will be competitively reviewed and considered for funding based on an amended application, availability of funds, and other requests pending at that time. The West Virginia Development Office reserves the right to withdraw these funds if your project does not proceed on schedule.

Please contact Angela White Negley of the West Virginia Development Office, at (304) 558-2234, to complete the necessary contract in order to proceed with your project.

I am pleased to assist with this project for the citizens of the City of Pennsboro.

With warmest regards,

Joe Manchin III
Governor

JM:anb

STEPTOE & JOHNSON PLLC
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

CLOSING MEMORANDUM

To: **Financing Team**

From: **John C. Stump, Esquire**

Date: **September 25, 2009**

Re: **City of Pennsboro Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA)**

---

1. DISBURSEMENTS TO THE CITY OF PENNSBORO

Payor:	West Virginia Department of Environmental Protection
Source:	Series 2009 B Bonds Proceeds
Amount:	$140,050
Form:	Wire
Payee:	City of Pennsboro, 422 Main Street, Pennsboro, WV 26415
ABA #:	043404443
Account #:	70000609
Bank:	Union Bank
Contact:	Wendy, 304.659.2964
Account:	Series 2009 B Bonds Construction Trust Fund

Payor:	West Virginia Infrastructure & Jobs Development Council
Source:	Infrastructure Fund Grant
Amount:	$124,793.60
Form:	Wire
Payee:	City of Pennsboro, 422 Main Street, Pennsboro, WV 26415
ABA #:	043404443
Account #:	70000609
Bank:	Union Bank
Contact:	Wendy, 304.659.2964
Account:	Series 2009 B Bonds Construction Trust Fund

09.17.09
696750.00002

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Huntington, WV • Columbus, OH

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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

PRE BOND CLOSING ATTENDANCE LIST

Date 9-24-09 Time 10:30A LGA PENNSBORO Program CWSRF

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
Rose Brodersen	WV DEP	304 926 0499x1608	304 926 0496	Rosalie.M.Brodersen@wv.gov
Sammie Lee	Jackson Kelly PLLC	304.340 1318	304.340 1272	sylee@jacksonkelly.com
John Stump	Steptoe & Johnson PLLC	304.353.8196	304.353.8181	john.stump@steptoe-johnson.com
Katy Mallory	Steptoe & Johnson PLLC	304 353 8161	304 353 8181	Katy.Mallory@Steptoe-Johnson.com
Ryan White	Jackson Kelly	304 340 1283	304 340 1272	srwhite@jacksonkelly.com
Carol Cummings	WDA	304-558-3612	304-558-0299	ccummings@wvwda.org

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 Wesley S. Merritt Telephone 304 659-2377 E-Mail

Address 422 Main St., Pennsboro WV 26415

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 NonArbitrage 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.

DEP PAYMENT REQUISITION FORM

Rev 04/07/09

1. LOAN RECIPIENT/VENDOR:

NAME: Town of Pennsboro

ADDRESS 422 Main Street

Pennsboro, West Virginia 26415

FEIN:

DUNS:

2. SRF #: C-544409 (ARRA) ✓

3. INVOICE NUMBER: 1

4. PERIOD COVERED BY THIS REQUEST (MO/DAY/YR)

FROM: (MO/DAY/YR) 9/22/09

TO: (MO/DAY/YR) 9/25/09

5. % OF PHYSICAL CONSTRUCTION COMPLETION

CLASSIFICATION	A) APPROVED BUDGET	B) PREVIOUS APPROVED	C) THIS REQUEST	D) TOTAL COLUMNS B&C	E) AGENCY USE ONLY SRF	E) AGENCY USE ONLY ARRA
1) CONSTRUCTION	2,485,561		54,885	54,885		54,885
3) ENGINEERING						
a. Design	25532 ~~23,002~~		23,002	23,002		23,002
b Basic/Constrruction	99975 ~~100,900~~		31,438	31,438		31,438
c. Special	19995 ~~11,600~~		0			
d. Inspection	104,300		0	0		
e. Sub'O&M; etc	40,137		10,225	10,225		10,225
4) LEGAL	0		0	0		
5) ACCOUNTING	0		0	0		
6) ADMINISTRATIVE	5000 ~~15,000~~		0	0		
7) CONTINGENCY	0		0	0		
8) LOAN REPAYMENT	0		0	0		
9) Sites / Lands	0		0	0		
9) RESERVE FUND	0		0	0		
10) CLOSING COSTS	20,500		20,500	20,500		20,500
11) SUBTOTAL	2,801,000		140,050	140,050		140,050
12) LESS PREVIOUSLY PAID						0
13) INVOICE AMOUNT						140,050

14) [signature]
AUTHORIZED SIGNATURE — DATE 9/25/09

TYPED OR PRINTED NAME AND TITLE

15)
PERSON PREPARING FORM SIGNATURE — DATE

Tim Meeks

TYPED OR PRINTED NAME AND TITLE

AGENCY USE ONLY:

THIS REQUEST APPROVED BY: WV DEPARTMENT OF ENVIRONMENTAL PROTECTION

[signature] 9/24/09
PROJECT REVIEWER — DATE

[signature] 9/24/09
AUTHORIZED OFFICER — DATE

RF - 91

United States Department of Agriculture
Rural Development
West Virginia State Office

September 25, 2009

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

TO WHOM IT MAY CONCERN:

The undersigned duly authorized representative of the United States of America, acting through the Rural Utilities Service, United States Department of Agriculture, the present holder of the Prior Bonds, hereinafter defined and described, hereby (a) consents to the issuance of the Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), in the original aggregate principal amount of $2,801,000 (the "Bonds"), by the City of Pennsboro (the "Issuer"), under the terms of the bond ordinance authorizing the issuance of the Bonds (the "Ordinance"), on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding Sewer Revenue Bonds, Series 1993 (United States Department of Agriculture), dated April 12, 1993, issued in the original aggregate principal amount of $375,000 (the "Prior Bonds"); and (b) waives any requirements imposed by the Prior Bonds or the resolution authorizing the Prior Bonds (the "Prior Ordinance"), regarding the issuance of parity bonds which are not met by the Bonds or the Ordinance; and (c) consents to any amendments made to the Prior Ordinance by the Ordinance.

WITNESSETH my signature on this 25th day of September, 2009.

State Director

1550 Earl Core Road • Suite 101 • Morgantown, WV 26505
Phone: 304.284.4860 • 1.800.295.8228 • Fax: 304.284.4893 • TTY/TDD: 304.284.4836 • Web: http://www.rurdev.usda.gov/wv

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).

American Recovery and Reinvestment Act of 2009 (ARRA)

Project Certification

Program: West Virginia Clean Water State Revolving Fund

Project: Pennsboro, Ritchie County

Description:

Wastewater treatment plant improvements consisting of a new influent lift station, preliminary treatment facility, ultraviolet disinfection system, new interceptor, metering flume and discharge outfall structure.

Total Project Cost

$3,250,278

ARRA Assistance Provided

$2,801,000

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

9/14/09
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.

A True Copy, Teste:

Sandra Squire
Executive Secretary

go18209c.wpd

CITY OF PENNSBORO

Sewer Revenue Bond, Series 1992

BOND ORDINANCE

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CITY OF PENNSBORO

ORDINANCE AUTHORIZING THE ISSUANCE OF $375,000 SEWER REVENUE BOND, SERIES 1992, OF THE CITY OF PENNSBORO, ON A PARITY WITH THE OUTSTANDING 1967 BOND OF THE CITY, TO FINANCE THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, IMPROVEMENTS AND ADDITIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDER OF THE BOND; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for This Ordinance. This Ordinance is adopted and enacted pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. The City of Pennsboro (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Ritchie County of said State.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

A. The Issuer currently owns and operates a public sewerage system and desires to acquire, construct and operate certain additional public sewerage facilities consisting of certain extensions, improvements and additions to such existing sewerage facilities, with all appurtenant facilities. The Sanitary Board of the Issuer has duly petitioned the Council for passage of this Ordinance, which petition was heretofore filed with the Clerk.

B. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer and, accordingly, it is hereby ordered, that there be acquired and constructed certain extensions, improvements and additions to the existing sewerage facilities of the Issuer,

consisting of the insertion of insituform sleeves into a portion of the existing sewer lines and certain improvements, with all necessary appurtenant facilities (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Clerk of the Issuer. The existing sewerage facilities of the Issuer, together with the Project and any further extensions or improvements thereto, are herein called the "System." The acquisition and construction of the Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

C. The estimated revenues to be derived in each year from the operation of the System after the completion of the Project will be sufficient to pay all the costs of the operation and maintenance of the System (hereinafter defined), the principal of and interest on the Bond (as hereinafter defined) and all debt service, reserve fund and other payments provided for herein.

D. The estimated maximum cost of the acquisition and construction of the Project is $375,000, which will be obtained from the proceeds of sale of the Bond herein authorized.

E. It is necessary for the Issuer to issue its revenue bond in the aggregate principal amount of $375,000 (the "Bond"), to finance a portion of the cost of acquisition and construction of the Project. The cost of such acquisition and construction shall be deemed to include, without being limited to, the construction or acquisition of the Project; the acquisition of any property rights, easements and franchises, deemed necessary or convenient therefor; interest on the Bond prior to and during acquisition and construction and for a period not exceeding six months after completion of such acquisition or construction of the Project; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; and such other expenses as may be necessary or incidental to the acquisition and construction of the Project and the financing authorized hereby; provided that, reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Bond or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project.

F. The period of usefulness of the System, as herein defined, after completion of the Project is not less than 40 years.

G. There is an outstanding obligation of the Issuer which will rank on a parity with the Bond as to liens, pledge and source of and security for payment, being the note dated September 26, 1967 (the

"1967 Bond"), issued in the original aggregate principal amount of $320,000 and payable to the Purchaser (as hereinafter defined). There are no other outstanding bonds or obligations of the Issuer which will rank prior to or on a parity with the Bond as to liens, pledge and source of and security for payment.

The Issuer is not in default under the terms of the 1967 Bond, the 1967 Ordinance (hereinafter defined) or any document in connection therewith, and has complied with all requirements of all the foregoing with respect to the issuance of parity bonds or has obtained a sufficient and valid waiver thereof.

H. It is in the best interest of the Issuer that the Bond be sold to the United States Department of Agriculture, Farmers Home Administration (the "Purchaser"), pursuant to the terms and provisions of a Letter of Conditions dated June 17, 1992, and any other amendments thereto (collectively, the "Letter of Conditions"). The Purchaser is expected by the Issuer to purchase the entire principal amount of the Bond.

I. The Issuer has complied with all requirements of law relating to authorization of the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Bond, or will have so complied prior to issuance of the Bond, including among other things and without limitation, obtaining a certificate of convenience and necessity for the Project from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired.

Section 1.03. Ordinance to Constitute Contract. In consideration of the acceptance of the Bond by those who shall be the registered owner of the same from time to time, this Ordinance (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Bondholder, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the registered owner of the Bond.

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

"Act" means Chapter 16, Article 13 of the West Virginia Code of 1931, as amended.

"Bond" means the Sewer Revenue Bond, Series 1992, authorized hereby.

"1967 Bond" means the outstanding note of the Issuer described in Section 1.02G hereof.

"Bond Legislation" or "Ordinance" means this Ordinance and all ordinances, orders and resolutions supplemental hereto or amendatory hereof.

"Bond Registrar" or "Registrar" means the Issuer, which shall usually so act by its Clerk.

"Bonds" means, collectively, the Bond and the 1967 Bond.

"Clerk" means the Clerk or Recorder of the Issuer.

"Consulting Engineer" means Burgess & Niple, Ltd., Parkersburg, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

"Depository Bank" means West Union Bank, Pennsboro, West Virginia, a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns.

"Facilities" or "sewerage facilities" means all the tangible properties of the System and also any tangible properties which may hereafter be added to the System by additions, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"FDIC" means the Federal Deposit Insurance Corporation.

"Fiscal Year" means each year beginning on July 1 and ending on the succeeding June 30.

"Governing Body" or "Council" means the Council of the Issuer.

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

"Herein" or "herein" means in this Bond Legislation.

"Issuer" or "Borrower" means the City of Pennsboro, in Ritchie County, West Virginia, and includes the Governing Body.

"Letter of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated June 17, 1992, and any other amendments thereto.

"Mayor" means the Mayor of the Issuer.

"Net Revenues" means the balance of the Revenues or Gross Revenues, as defined below, remaining after deduction only of Operating Expenses, as defined below.

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the Project and the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, materials and supplies, pumping costs, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the Project and the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed one-sixth of the budgeted Operating Expenses stated above for the current year as working capital, and language herein requiring payment of Operating Expenses means also retention of not to exceed such sum as working capital, provided that all monthly amortization payments upon the Bond and into the Reserve Account and the Depreciation Account have been made to the last monthly date prior to the date of such retention.

"1967 Ordinance" means the ordinance of the Issuer enacted July 3, 1967, authorizing the 1967 Bond.

"Ordinances" means, collectively, the 1967 Ordinance and the Bond Legislation.

"Project" shall have the meaning stated in Section 1.02B above.

"Purchaser" or "Government" means United States Department of Agriculture, Farmers Home Administration, and any successor thereof.

"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 (hereinbefore defined) 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 State Board of Investments pursuant to Chapter 12, Article 6 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 or Standard & Poor's Corporation.

"Registered Owner," "Bondholder," "Holder of the Bond" or any similar term means any person who shall be the registered owner of the Bond.

"Revenues" or "Gross Revenues" means all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with sound accounting practices.

"Sanitary Board" means the Sanitary Board of the Issuer.

"State" means the State of West Virginia.

"System" means the complete sewerage system of the Issuer and all sewerage facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the sewerage system, including the Project, and any and all additions, extensions, improvements,

properties or other facilities at any time acquired or constructed for the sewerage system after completion of the Project.

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized the acquisition and construction of the Project, at an estimated cost of $375,000, 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 Bond hereby authorized shall be applied as provided in Article IV hereof.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BOND

Section 3.01. Authorization of Bond. Subject and pursuant to the provisions of the Bond Legislation, the Bond of the Issuer, to be known as "Sewer Revenue Bond, Series 1992," is hereby authorized to be issued in the aggregate principal amount of not exceeding $375,000 for the purpose of permanently financing a portion of the cost of the acquisition and construction of the Project.

Section 3.02. Description of Bond. The Bond shall be issued in single form, numbered R-1, only as a fully registered Bond, and shall be dated on the date of delivery thereof. The Bond shall bear interest from date of delivery, payable monthly at the rate of 5% per annum, and shall be sold for the par value thereof.

The Bond shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the Bond form hereinafter set forth.

Section 3.03. Negotiability, Registration, Transfer and Exchange of Bonds. The Bond shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but the Bond, and the right to principal of and stated interest on the Bond, may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.04 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Bond Registrar.

Whenever the Bond shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Bond Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Bond Registrar with respect to such transfer.

No registration of transfer of the Bond shall be permitted to be made after the 15th day next preceding any installment payment date on the Bond.

Section 3.04. Bond Registrar. The Issuer shall be the Bond Registrar and will keep or cause to be kept, at its office, sufficient books for the registration and transfer of the Bond, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Bond initially issued pursuant hereto and register the transfer, or cause to be registered, on such books, the transfer of the Bond as hereinbefore provided.

The Bond Registrar shall accept the Bond for registration or transfer only if ownership thereof is to be registered in the name of the Government, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust, and the federal employer identification number and date of each trust and the name of the trustee of each trust and/or such other identifying number and information as may be required by law. The Bond shall initially be fully registered as to both principal and interest in the name of the United States of America, Farmers Home Administration. So long as the Bond shall be registered in the name of the United States of America, Farmers Home Administration, the address of the United States of America, Farmers Home Administration, for registration purposes shall be Federal Building, Room 320, 75 High Street, Morgantown, West Virginia 26505-7500, or such other address as shall be stated in writing to the Issuer by the United States of America, Farmers Home Administration.

Section 3.05. Execution of Bond. The Bond shall be executed in the name of the Issuer by the Mayor and the seal of the Issuer shall be affixed thereto and attested by the Clerk. In case any one or more of the officers who shall have signed or sealed the Bond shall cease to be such officer of the Issuer before the Bond so signed and sealed have been actually sold and delivered, such Bond may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bond had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bond shall hold the proper office in the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and

substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Bond so surrendered shall be canceled and held for the account of the Issuer. If the Bond shall have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and, if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bond Secured by Pledge of Net Revenues. The payment of the debt service of the Bond shall be secured forthwith by a first lien on the Net Revenues derived from the System on a parity with the 1967 Bond, in addition to the statutory mortgage lien on the System hereinafter provided for as to the Bonds. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bond and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Bond as the same become due all on a parity with the 1967 Bond.

Section 3.08. Form of Bond. Subject to the provisions hereof, the text of the Bond and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or by any ordinance enacted after the date of enactment hereof and prior to the issuance thereof:

(FORM OF BOND)

CITY OF PENNSBORO

SEWER REVENUE BOND, SERIES 1992

$375,000

No. R-1 Date: _____

FOR VALUE RECEIVED, the CITY OF PENNSBORO (herein called "Borrower") promises to pay to the order of the United States of America, Farmers Home Administration (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of THREE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS ($375,000), plus interest on the unpaid principal balance at the rate of 5% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first twenty-four months after the date hereof, and $1,842, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Farmers Home Administration according to the source of funds involved, shall, after

payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of additions, extensions and improvements to the sewerage system (the "System") of the Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any

manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation, nor shall the Borrower be obligated to pay the same or the interest thereon except from the special fund so provided.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at said office of the Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions 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, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13 of the West Virginia Code, as amended (the "Act"), and an Ordinance of the Borrower duly enacted authorizing issuance of this Bond (the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farmers Home Rural Development Act. This Bond shall be subject to the present regulations of the Farmers Home Administration and to its future regulations not inconsistent with the express provisions hereof.

This Bond is on a parity as to liens, pledge and source of and security for payment, and in all other respects, with the 1967 Bond described in the Ordinance.

IN WITNESS WHEREOF, the CITY OF PENNSBORO has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Clerk, all as of the date hereinabove written.

CITY OF PENNSBORO
(Name of Borrower)

[CORPORATE SEAL]

_____
(Signature of Executive Official)

Mayor
(Title of Executive Official)

422 Main Street
(P. O. Box No. or Street Address)

Pennsboro, West Virginia 26415
(City, State and Zip Code)

ATTEST:

_____
(Signature of Attesting Official)

Clerk
(Title of Attesting Official)

(Form of)

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$		(6)	$	
(2)	$		(7)	$	
(3)	$		(8)	$	
(4)	$		(9)	$	
(5)	$		(10)	$	

TOTAL $_____

[Form of Assignment]

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: _____, _____.

_____

In the presence of:

_____

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created and established with (or continued if previously established by the 1967 Ordinance), and shall be held by, the Depository Bank, separate and apart from all other funds or accounts of the Depository Bank and from each other:

(1) Sewer Fund (established by the 1967 Ordinance);

(2) Sewer System Note Reserve Account (established by the 1967 Ordinance and hereinafter called the "Reserve Account");

(3) Sewer System Depreciation Account (established by the 1967 Ordinance and hereinafter called the "Depreciation Account"); and

(4) Project Construction Account.

Section 4.02. Bond Proceeds; Project Construction Account. The proceeds of the sale of the Bond shall be deposited upon receipt by the Issuer in the Project Construction Account. The moneys in the Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by the Depository Bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Moneys in the Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Until completion of acquisition and construction of the Project, the Issuer will additionally transfer from the Project Construction Account and pay to the Purchaser on or before the due date, such sums as shall be from time to time required to make the monthly installment payments on the Bond if there are not sufficient Net Revenues to make such monthly payment.

Moneys in the Project Construction Account shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

Pending application as provided in this Section 4.02, money and funds in the Project Construction Account shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

When construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Project Construction Account shall be disposed of in accordance with the regulations of the Purchaser.

Section 4.03. Covenants of the Issuer as to Revenues and Funds. So long as the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Account, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Bonds remaining unpaid, together with interest accrued to the date of such payment, the Issuer further covenants with the holder of the Bonds as follows:

A. SEWER FUND. The entire Gross Revenues derived from the operation of the System, and all parts thereof, and all Tap Fees received, shall be deposited as collected by the Issuer in the Sewer Fund. The Sewer Fund shall constitute a trust fund for the purposes provided in the Ordinances and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in the Ordinances.

B. DISPOSITION OF REVENUES. All Revenues at any time on deposit in the Sewer Fund shall be disposed of only in the following order and priority, subject to the provisions of Section 8 of the 1967 Ordinance not otherwise modified herein:

(i) The Issuer shall first each month pay from the moneys in the Sewer Fund all current Operating Expenses.

(ii) The Issuer shall next, on or before the due date of payment of each installment on the Bonds, transfer from the Sewer Fund and pay to the National Finance Office designated in the Bonds (or such other place as may be designated pursuant to the Bonds), the amounts required to pay the interest on the Bonds, and to amortize the principal of the Bonds over the respective lives of each Bond issue. All payments with respect to principal of and interest on the Bonds shall be made on an equal pro rata basis in accordance with the respective aggregate principal amounts thereof outstanding and on a parity with each other.

(iii) The Issuer shall next, on each date that payment is made as set forth in (ii) above, transfer from the Sewer Fund and remit to the Depository Bank for deposit in the Reserve Account, 1/12th of 1/10th of the amount, as of the date of calculation, equal to the maximum amount of principal and interest which will become due on the Bonds in

any year, until the amount in the Reserve Account equals such maximum amount (the "Minimum Reserve"). After the Minimum Reserve has been accumulated in the Reserve Account, the Issuer shall monthly deposit into the Reserve Account such part of the moneys remaining in the Sewer Fund, after such provision for payment of monthly installments on the Bonds and for payment of Operating Expenses of the System, as shall be required to maintain the Minimum Reserve in the Reserve Account. Moneys in the Reserve Account shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Bonds to said National Finance Office (or other place provided) as the same shall become due or for prepayment of installments on the Bonds, or for mandatory prepayment of the Bonds as hereinafter provided, and for no other purpose, on an equal pro rata basis in accordance with the respective aggregate principal amounts thereof outstanding and on a parity with each other; provided, however, that when the Minimum Reserve has been accumulated in the Reserve Account, all earnings of investments of moneys therein shall be at least annually transferred to and deposited in the Sewer Fund and used for prepayment of the principal of the Bonds, all on a pro rata basis.

(iv) The Issuer shall next, on each date that payment is made as set forth in (ii) above, transfer from the Sewer Fund and deposit in the Depreciation Account, the moneys remaining in the Sewer Fund and not permitted to be retained therein, until there has been accumulated in the Depreciation Account the aggregate sum of $18,750, and thereafter such sums as shall be required to maintain such amount therein. Moneys in the Depreciation Account shall be used first to make up any deficiencies for monthly payments of principal of and interest on the Bonds as the same become due, and next to restore to the Reserve Account any sum or sums transferred therefrom, all on a pro rata basis. Thereafter, and provided that payments into the Reserve Account are current and in accordance with the foregoing provisions, moneys in the Depreciation Account may be withdrawn by the Issuer and used for extraordinary repairs and for replacements of equipment and improvements for the System, or any part thereof.

(v) After all the foregoing provisions for use of moneys in the Sewer Fund have been fully complied with, any moneys remaining therein and not permitted to be retained therein may be used to prepay installments of the Bonds, pro rata, or for any lawful purpose.

Whenever the moneys in the Reserve Account shall be sufficient to prepay the Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Bonds at the earliest practical date and in accordance with applicable provisions hereof.

The Depository Bank is hereby designated as the Fiscal Agent for the administration of the Reserve Account and the Depreciation Account as herein provided, and all amounts required for the Reserve Account and the Depreciation Account will be deposited therein by the Issuer upon transfers of funds from the Sewer Fund at the times provided herein, together with written directions stating the amount remitted for deposit into each such fund.

All the funds provided for in this Article IV, other than the Project Construction Account, shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Bonds and the interest thereon, but the Depository Bank shall not be a trustee as to such funds.

If on any payment date the Revenues are insufficient to make the payments and transfers as hereinabove provided, the deficiency shall be made up in the subsequent payments and transfers in addition to those which would otherwise be required to be made on the subsequent payment dates.

Subject to the 1967 Ordinance, the Depository Bank, at the direction of the Issuer, shall keep the moneys in the Reserve Account and the Depreciation Account invested and reinvested to the fullest extent possible in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Legislation shall, unless otherwise provided in the 1967 Ordinance, or unless otherwise required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia State Board of Investments. Except as otherwise provided in the 1967 Ordinance, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Earnings on moneys in the Reserve Account, so long as the Minimum Reserve is on deposit and maintained therein, shall be paid annually in January into the Sewer Fund by the Depository Bank.

C. CHANGE OF DEPOSITORY BANK AND FISCAL AGENT. The Issuer may designate another bank or trust company insured by FDIC as Depository Bank and Fiscal Agent if the Depository Bank should cease for any reason to serve or if the Governing Body determines by resolution that the Depository Bank or its successor should no longer serve as Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser.

D. USER CONTRACTS. The Issuer shall, prior to delivery of the Bond, provide evidence that there will be at least 585 bona fide users upon the Project, in full compliance with the requirements and conditions of the Purchaser.

E. CHARGES AND FEES. The Issuer shall remit from the Sewer Fund to the Depository Bank such additional sums as shall be necessary to pay the charges and fees of the Depository Bank then due.

F. INVESTMENT OF EXCESS BALANCES. The moneys in excess of the sum insured by FDIC in any of such funds or accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, in a lawful manner for securing deposits of State and municipal funds under the laws of the State.

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

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

ARTICLE V

GENERAL COVENANTS

Section 5.01. General Statement. So long as the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Account a sum sufficient to prepay the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Holder of the Bonds.

Section 5.02. Rates. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the maximum annual debt service on the Bonds and sufficient to make the payments required to be made herein into the Reserve Account and the Depreciation Account and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes.

Section 5.03. Sale of the System. The System will not be sold without the prior written consent of the Purchaser so long as the Bond is outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 5.04. Issuance of Additional Parity Bonds or Obligations. No additional parity bonds or obligations payable out of any of the Revenues of the System shall be issued, except with the prior written consent of the Purchaser.

Section 5.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Bond remains outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(a) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all

above-ground structures of the System and mechanical and electrical equipment in place or stored on the site in an amount equal to the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

(b) Public Liability Insurance, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Bond.

(c) Vehicular Public Liability Insurance, in the event the Issuer owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the Issuer is operated at any time or times for the benefit of the Issuer, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle for the Issuer.

(d) Workers' Compensation Coverage for All Employees of the District Eligible Therefor and Performance and Payment Bonds, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds will be filed with the Clerk of the County Commission of said County prior to commencement of construction of

the Project in compliance with West Virginia Code Section 38-2-39. Workers' compensation coverage shall be maintained as required by the laws of the State of West Virginia.

(e) Flood Insurance to be procured, to the extent available at reasonable cost to the Issuer.

(f) Fidelity Bonds will be provided as to every member of the Governing Body and as to every officer and employee thereof having custody of the Sewer Fund or of any revenues or other funds of the Issuer in an amount at least equal to the total funds in the custody of any such person at any one time, and initially in the amount of $50,000 upon the treasurer, provided, however, that no bond shall be required insofar as custody of the Project Construction Account is concerned so long as checks thereon require the signature of a representative of the Purchaser.

(g) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Bond is outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 5.06. Statutory Mortgage. For the further protection of the Holder of the Bond, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Bond and shall be for the equal benefit of the Bonds.

Section 5.07. Events of Default. Each of the following events is hereby declared an "Event of Default":

(A) Failure to make payment of any monthly amortization installment on the Bond at the date specified for payment thereof;

(B) Failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Bond or herein, or violation of or failure to observe any provision of any pertinent law.

Section 5.08. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Purchaser may proceed to protect and enforce its rights by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement, or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights.

Upon application by the Purchaser, such court may, upon proof of such default appoint a receiver for the affairs of the Issuer and the System. The receiver so appointed shall administer the System on behalf of the Issuer, shall exercise all the rights and powers of the Issuer with respect to the System, shall proceed under the direction of the court to obtain authorization to increase rates and charges of the System, and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct.

Section 5.09. Fiscal Year; Budget. While the Bond is outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than thirty days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

If for any reason the Issuer shall not have adopted the Annual Budget before the first day of any Fiscal Year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the year next preceding by more than 10%; and provided further, that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the Issuer. Each such

Budget of Current Expenses shall be mailed immediately to the Purchaser.

Section 5.10. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the acquisition and construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the Recorder on the date of adoption hereof, subject to permitted changes.

Section 5.11. Books and Records. 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 the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

The Issuer shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants and shall mail a copy of such audit report to the Purchaser. The Issuer shall further comply with the Act with respect to such books, records and accounts.

Section 5.12. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Bond is outstanding.

Section 5.13. No Competition. To the extent legally allowable, the Issuer will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the Issuer or within the territory served by the System.

Section 5.14. 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.

ARTICLE VI

RATES, ETC.

Section 6.01. Initial Schedule of Rates and Charges; Rules. A. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the Rate Ordinance of the Issuer enacted on August 3, 1992.

B. There shall not be any discrimination or differential in rates between customers in similar circumstances.

C. All delinquent fees, rates and charges for services or facilities of the System shall be a lien on the premises served if not paid when due. The Issuer shall have all remedies and powers provided under the Act and other applicable provisions of law with regard to the collection and enforcement of such fees, rates and charges, including, without limitation, any right and power of foreclosure under the Act and/or such other applicable provisions of law.

D. The Issuer will not render or cause to be rendered any free services of any nature by the System nor any of the facilities; and in the event that the Issuer or any department, agency, officer or employee thereof should avail itself or themselves of the services or facilities of the System, the same fees, rates and charges applicable to other customers receiving like services under similar circumstances shall be charged, such charges shall be paid as they accrue, and revenues so received shall be deposited and accounted for in the same manner as other Revenues of the System.

E. The Issuer may require any applicant for any service by the System to deposit a reasonable and equitable amount to insure payment of all charges for the services rendered by the System, which deposit shall be handled and disposed of under the applicable rules and regulations of the Public Service Commission of West Virginia.

F. The Issuer, to the extent permitted by law, will not accept payment of any water bill from a customer served with water and sewer services by the Issuer without payment at the same time of a sewer bill owed by such customer for the same premises.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Payment of Bond. If the Issuer shall pay or there shall otherwise be paid, to the Holder of the Bond, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Bond, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Holder of the Bond shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 7.02. Modification or Amendment. The Bond Legislation may not be materially modified or amended after final passage without the prior written consent of the Purchaser.

Section 7.03. Delivery of Bond No. R-1. The Mayor is hereby authorized and directed to cause Bond No. R-1, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 7.04. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Bond.

Section 7.05. 1967 Ordinance; Conflicting Provisions Repealed. The 1967 Ordinance and all parts thereof not hereby changed shall continue in full force and effect and this Bond Legislation shall be supplemental to the 1967 Ordinance.

All ordinances, resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed; provided that this Section shall not be applicable to the Loan Resolution (Form FmHA 442-47).

Section 7.06. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 7.07. 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 enactment 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, Recorder and members of the Governing Body and the Sanitary Board were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 7.08. Effective Time. This Bond Legislation shall take effect following public hearing hereon in accordance with the Act.

Section 7.09. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation, determined by the Governing Body to contain sufficient information as to give notice of the contents hereof, shall be published once a week for two successive weeks within a period of fourteen consecutive days, with at least six full days intervening between each publication, in The Pennsboro News, a newspaper of general circulation in the City of Pennsboro, together with a notice stating that this Bond Legislation has been adopted and that the Issuer contemplates the issuance of the Bond, and that any person interested may appear before the Council upon a date certain, not less than ten days subsequent to the date of the first publication of the said abstract and notice, and present protests, and that a certified copy of the Ordinance is on file in the office of the Clerk of the Issuer for review by interested parties during regular office hours. At such hearing, all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

Passed on First Reading November 16, 1992

Passed on Second Reading November 23, 1992

Effective following public hearing and passage on Third Reading held on December 7, 1992.

[SEAL]

Mayor

ATTEST:

By

Clerk

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF PENNSBORO on the 7th day of December, 1992, which Ordinance has not been repealed, rescinded, modified, amended or revoked, as witness my hand and the seal of the CITY OF PENNSBORO this 12th day of April, 1993.

[SEAL]

Mary Jane Allen
Clerk

03/31/93
PSJ.A3
69675/92001

CITY OF PENNSBORO

Sewer Revenue Bond, Series 1993

SUPPLEMENTAL RESOLUTION

WHEREAS, the Council of the City of Pennsboro (the "City") did on December 7, 1992, enact a Bond Ordinance approving the issuance of a bond by the City designated as "Sewer Revenue Bond, Series 1992;" and

WHEREAS, due to unavoidable circumstances, the Sewer Revenue Bond, Series 1992, was not issued in 1992, but is expected to be issued in 1993, and it is therefore necessary to redesignate the bond as "Sewer Revenue Bond, Series 1993."

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PENNSBORO that the Bond Ordinance be and hereby is amended to state that the bond shall be known as "Sewer Revenue Bond, Series 1993" and that this Resolution shall take effect immediately upon adoption.

Adopted this 1st day of March, 1993

[SEAL]

Mayor

ATTEST:

By Mary Jane Allen
Clerk

1B

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the CITY OF PENNSBORO on the 1st day of March, 1993, which Supplemental Resolution has not been repealed, rescinded, modified, amended or revoked, as witness my hand and the seal of the CITY OF PENNSBORO this 12th day of April, 1993.

[SEAL]

Mary Jane Allen
Clerk

03/31/93
PSJ.W2
69675/92001

(SPECIMEN BOND)

CITY OF PENNSBORO

SEWER REVENUE BOND, SERIES 1993

$375,000

No. R-1 Date: April 12, 1993

FOR VALUE RECEIVED, the CITY OF PENNSBORO (herein called "Borrower") promises to pay to the order of the United States of America, Farmers Home Administration (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of THREE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS ($375,000), plus interest on the unpaid principal balance at the rate of 5% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first twenty-four months after the date hereof, and $1,842, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Farmers Home Administration according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due

under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of additions, extensions and improvements to the sewerage system (the "System") of the Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning

of any constitutional or statutory provision or limitation, nor shall the Borrower be obligated to pay the same or the interest thereon except from the special fund so provided.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at said office of the Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions 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, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13 of the West Virginia Code, as amended (the "Act"), and an Ordinance of the Borrower duly enacted authorizing issuance of this Bond (the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farmers Home Rural Development Act. This Bond shall be subject to the present regulations of the Farmers Home Administration and to its future regulations not inconsistent with the express provisions hereof.

This Bond is on a parity as to liens, pledge and source of and security for payment, and in all other respects, with the 1967 Bond described in the Ordinance.

IN WITNESS WHEREOF, the CITY OF PENNSBORO has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Clerk, all as of the date hereinabove written.

CITY OF PENNSBORO

[CORPORATE SEAL]

_____
Mayor

422 Main Street
Pennsboro, West Virginia 26415

ATTEST:

_____
Clerk

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$		(6)	$	
(2)	$		(7)	$	
(3)	$		(8)	$	
(4)	$		(9)	$	
(5)	$		(10)	$	

TOTAL $_____

IC-2
(7/09)

GRANT AGREEMENT
(2004S-839a)

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 CITY OF PENNSBORO (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 $249,278 (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.

CITY OF PENNSBORO
By: _____
Its: Mayor
Date: September 25, 2009

(SEAL)

Attest:
_____
Its: Recorder

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

By: _____
Its: Executive Director
Date: September 25, 2009

(SEAL)

Attest:
_____
Its: Secretary-Treasurer

{C1595540.1}

[To Be Placed on Letterhead]

Exhibit A

Wiring Instructions

_____, 20__

_____
(Name of Governmental Agency)

_____
(Street Address)

Payor:	West Virginia Water Development Authority
Source:	Grant Proceeds
Amount:	$_____
Date:	_____, 20__
Form:	Electronic Funds Transfer
Payee:	_____
Bank:	_____
Bank Contact:	_____
Telephone:	_____
Routing No.:	_____
Account No.:	_____
Account Name:	_____

Exhibit B

Project Description

The Project consists of upgrades to the Governmental Agency's wastewater treatment plant, including installation of a new influent pump station, influent screening, grit removal, temporary splitter box, UV disinfection and appurtenances.