

TOWN OF PINEVILLE

**WATER REVENUE BONDS, SERIES 2008 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)**

DATE OF CLOSING: SEPTEMBER 15, 2008

BONDS TRANSCRIPT

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BOND TRANSCRIPT

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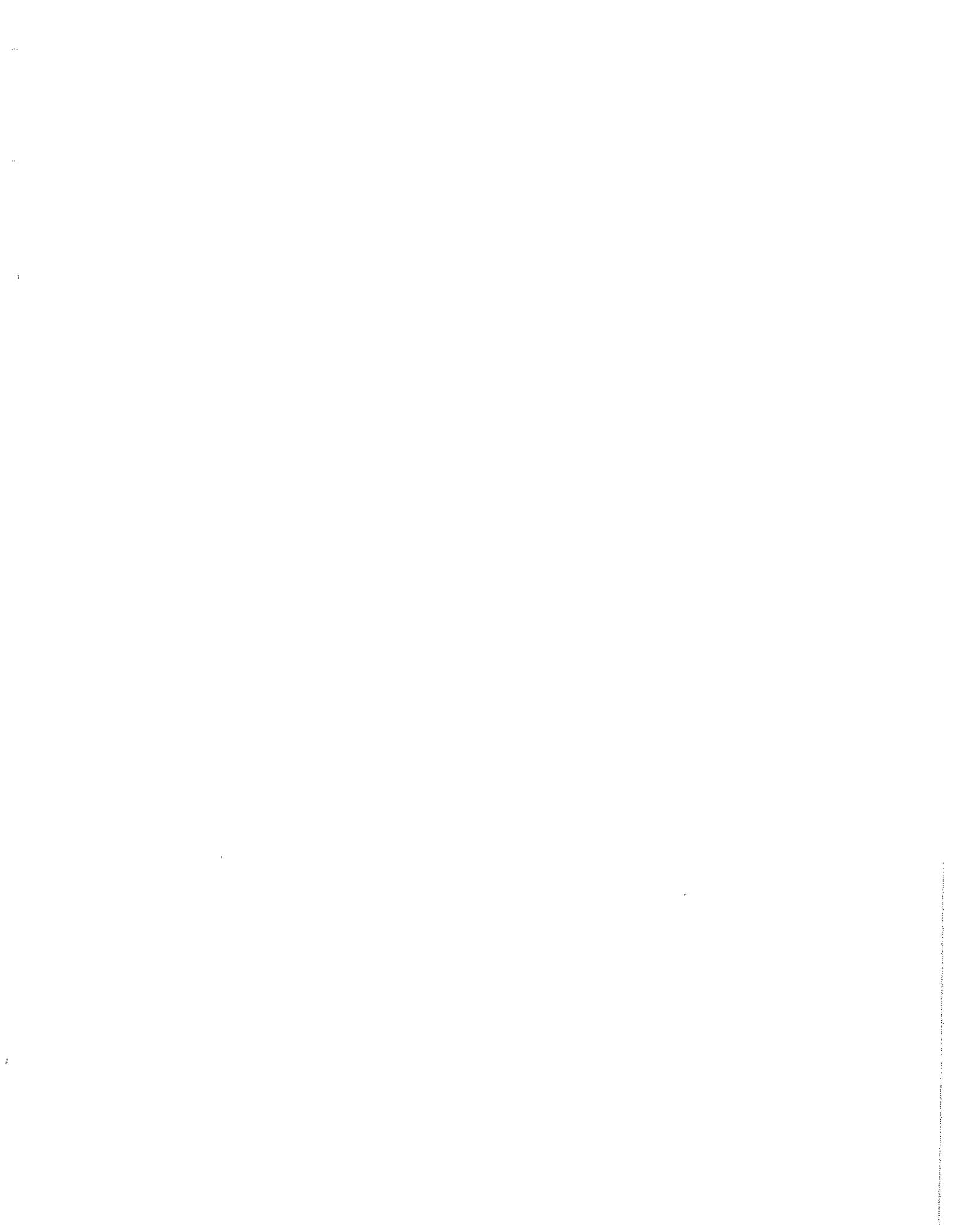
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TOWN OF PINEVILLE
Water Revenue Bonds, Series 2008 A
(United States Department of Agriculture)

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TOWN OF PINEVILLE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE TOWN OF PINEVILLE, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$1,858,500 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2008 A (UNITED STATES DEPARTMENT OF AGRICULTURE); DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

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

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 adopted and enacted pursuant to the provisions of Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. The Town of Pineville (the "Issuer") is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia in Wyoming 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 waterworks system and desires to acquire, construct and operate certain additional public waterworks facilities consisting of additions, betterments and improvements to such existing waterworks facilities, with all appurtenant facilities.

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 additions, betterments

and improvements to the existing waterworks system of the Issuer, consisting of construction of water lines, booster pumps, cut-off valves, meters and meter boxes, booster pump stations, water holding tank and upgrade to treatment plant to serve the communities of Ramey, Glover and Wyoming in Wyoming County and all necessary appurtenances (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 Recorder of the Issuer. The existing waterworks facilities of the Issuer, together with the Project and any further additions, betterments and improvements, 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 completion of the Project 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 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 \$4,918,900, of which up to \$1,858,500 will be obtained from the proceeds of sale of the Bonds herein authorized, approximately \$1,660,400 will be obtained from a grant from the Purchaser, and \$1,400,000 will be obtained from a grant from the West Virginia Governor's Office.

E. It is necessary for the Issuer to issue its Water Revenue Bonds Series 2008 A (United States Department of Agriculture), in the aggregate principal amount not to exceed \$1,858,500 (the "Series 2008 A Bonds"), 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 acquisition and construction of the Project; the acquisition of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest on the Series 2008 A Bonds 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, fiscal agents 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 Project, administrative expense, 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 Series 2008 A Bonds 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 are outstanding bonds of the Issuer which will rank on a parity with the Series 2008 Bonds as to liens, pledge and source of and security for payment, being the Issuer's Water Revenue Bonds, Series 1979 (United States Department of Agriculture) dated June 14, 1979, issued in the original aggregate principal amount of \$1,718,000 (the "Series 1979 Bonds" or "Prior Bonds"). Other than the Prior Bonds there are no outstanding bonds or obligations of the Issuer which will rank prior to or on a parity with the Series 2008 A Bonds as to liens, pledge and source of and security for payment.

H. It is in the best interest of the Issuer that the Series 2008 A Bonds be sold to the Purchaser, pursuant to the terms and provisions of the Letter of Conditions dated April 6, 2004, and any amendments, thereto (collectively, the "Letter of Conditions").

I. The Issuer has complied with all requirements of law relating to the 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 Series 2008 A Bonds, or will have so complied prior to issuance of the Series 2008 A Bonds, including, among other things and without limitation, obtaining a certificate of convenience and necessity and approval of the financing and necessary user rates and charges from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired or shall have been duly waived or otherwise provided for.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2008 A Bonds 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 Registered Owner, 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 Series 2008 A Bonds.

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

"Act" means Chapter 8, Article 19 of the West Virginia Code of 1931, as amended.

"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 Recorder.

"Bonds" means collectively the Water Revenue Bonds, Series 2008 A (United States Department of Agriculture), authorized hereby to be issued pursuant to this Bond Legislation and the Prior Bonds.

"Closing Date" means the date upon which there is an exchange of the Series 2008 A Bonds for the proceeds, or at least a de minimus portion, thereof representing the purchase price of the Series 2008 A Bonds from the Purchaser.

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

"Consulting Engineer" means Woolpert, LLP, St. Albans, 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 the First Community Bank, Pineville, West Virginia, a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns or such other bank as designated in the Supplemental Resolution..

"Facilities" or "waterworks 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 12-month period 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 payment of the principal of and interest on which are guaranteed by, the United States of America.

"Grants" means collectively, all grants committed for the Project.

"Herein" or "herein" means in this Bond Legislation.

"Issuer" or "Borrower" means the Town of Pineville, a municipal corporation and political subdivision of the State of West Virginia, in Wyoming County, West Virginia, and includes the Governing Body.

"Letter of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated April 6, 2004, and all amendments thereto, if any.

"Mayor" means the Mayor of the Issuer.

"Minimum Reserve" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2008 A Bonds in the then current or any succeeding year.

"Net Revenues" means the balance of the 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 Series 2008 A Bonds and into the respective reserve accounts and the Renewal and Replacement Fund have been made to the last monthly date prior to the date of such retention.

"Ordinances" means the Bond Legislation.

"Prior Bonds" means the Series 1979 Bonds described in Section 1.02 hereof.

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

"Project" shall have the meaning stated in Section 1.02B above.

"Purchaser" or "Government" means United States Department of Agriculture, Rural Utilities Service, and any successor thereof, acting for and on behalf of the United States of America.

"Qualified Investments" means and includes any of the following, to the extent such investments are permitted by law:

- (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 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 or Standard & Poor's Corporation.

"Recorder" means the Recorder of the Issuer.

"Registered Owner," "Bondholder," "Holder of the Bond" or any similar term means any person who shall be the registered owner of the Series 2008 A Bonds.

"Reserve Funds" means, the respective reserve funds for the Bonds.

"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.

"Series 1979 Bonds" means the Issuer's Water Revenue Bonds, Series 1979 (United States Department of Agriculture) dated June 14, 1979, issued in the original aggregate principal amount of \$1,718,000.

"Series 1979 Bonds Reserve Account" means the reserve account established by Prior Ordinance for the Series 1979 Bonds.

"Series 2008 Bonds" or "Series 2008 A Bonds" means the Water Revenue Bonds issued in one or more series, authorized hereby to be issued pursuant to this Legislation.

"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 2008 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2008 A Bonds, and not so included may be included in another supplemental resolution

"System" means the complete waterworks system of the Issuer and all waterworks 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 waterworks systems, including the Project, and any and all additions, betterments, improvements, properties or other facilities at any time acquired or constructed for the Waterworks system from any source whatsoever.

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the Series 2008 A Bonds or any certificate or other document by the Mayor or the Recorder shall mean that such Series 2008 A Bonds, certificate or other documents may be executed or attested by an Acting Mayor or Acting Recorder.

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 \$4,918,900, 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 2008 A Bonds hereby authorized shall be applied as provided in Article IV hereof.

The cost of the Project is estimated not to exceed \$4,918,900 of which not more than \$1,858,500 will be obtained from the proceeds of the Series 2008 Bonds, approximately \$1,660,400 will be obtained from a grant from the Purchaser, and approximately \$1,400,000 will be obtained from a grant from the West Virginia Governor's Office.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions of this Bond Legislation, the Series 2008 A Bonds of the Issuer, to be known as "Water Revenue Bonds, Series 2008 A (United States Department of Agriculture)," are hereby authorized to be issued in the principal amount not to exceed \$1,858,500 for the purpose of permanently financing a portion of the cost of the acquisition and construction of the Project.

Section 3.02. Description of Bonds. The Series 2008 A Bonds shall be issued in single form, numbered AR-1, only as a fully registered Bond in an original aggregate principal amount to be prescribed in the Supplemental Resolution and shall be dated on the date of delivery thereof. The Series 2008 A Bonds shall bear interest from date of delivery, payable monthly at the rate not to exceed 4.5% per annum, which interest rate shall be prescribed in the Supplemental Resolution and shall be sold for the par value thereof.

The Series 2008 A Bonds 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 Series 2008 A Bonds 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 Series 2008 A Bonds, and the right to the principal of and stated interest on the Series 2008 A Bonds, 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 Series 2008 A Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Bond Registrar.

Whenever the Series 2008 A Bonds 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 Series 2008 A Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on the Series 2008 A Bonds.

Section 3.04. Bond Registrar. The Issuer shall be the Bond Registrar and will keep or cause to be kept at its office by its agent, sufficient books for the registration and transfer of the Series 2008 A Bonds, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2008 A Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Series 2008 A Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2008 A Bonds for registration of transfer only if ownership thereof is to be registered in the name of the Purchaser, 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 Series 2008 A Bonds shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Series 2008 A Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be National Finance Office, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

Section 3.05. Execution of Bonds. The Series 2008 A Bonds 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 Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2008 A Bonds shall cease to be such officer of the Issuer before the Series 2008 A Bonds so signed and sealed has 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 Series 2008 A Bonds had not ceased to hold such office. The Series 2008 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Series 2008 A Bonds 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 Series 2008 A Bonds 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 Series 2008 A Bonds so surrendered shall be canceled and held for the account of the Issuer. If the Series 2008 A Bonds shall have matured or be about to mature, instead of issuing a substitute Series 2008 A Bonds the Issuer may pay the same, and, if such Series 2008 A Bonds be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Gross Revenues. The payment of the debt service of the Series 2008 A Bonds shall be secured forthwith by a first lien on the Gross Revenues derived from the System, in addition to the statutory mortgage lien on the System hereinafter provided for as to the Series 2008 A Bonds. The Gross Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Series 2008 A Bonds and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2008 A Bonds as the same becomes due.

Section 3.08. Form of Bonds. Subject to the provisions hereof, the text of the Series 2008 A Bonds 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 Supplemental Resolution enacted after the date of enactment hereof and prior to the issuance thereof:

(FORM OF SERIES 2008 A BOND)

TOWN OF PINEVILLE

WATER REVENUE BONDS, SERIES 2008 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$ _____

No. AR-1

Date: _____, 2008

FOR VALUE RECEIVED, the TOWN OF PINEVILLE (herein called "Borrower") promises to pay to the order of the United States of America (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 _____ DOLLARS (\$ _____), plus interest on the unpaid principal balance at the rate of _____% 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 this Bond and continuing on the corresponding day of each month for the first twenty-four months after the date hereof, and \$ _____, 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 herein below. 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 Government 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, betterments and improvements to the waterworks system (the "System") of Borrower, is payable solely from and secured by the revenues to be derived from the operation 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 the office of 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 8, Article 19 of the West Virginia Code of 1931, as amended (herein called the "Act"), and an Ordinance of Borrower duly enacted on _____, 2008 and Supplemental Resolution duly adopted by the Issuer on _____, 2008, authorizing issuance of this Bond (collectively, 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 Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE ISSUER'S WATER REVENUE BOND, SERIES 1979 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE 14, 1979, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,718,000.

In accordance with the requirements of the United States Department of Agriculture, 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 as the conversion of wetlands to produce an agricultural commodity.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the TOWN OF PINEVILLE 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 Recorder, all as of the date hereinabove written.

TOWN OF PINEVILLE

[CORPORATE SEAL]

Mayor
P.O. Box 220
Pineville, West Virginia 24874

ATTEST:

Recorder

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL \$ _____

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers _____ to

_____ 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 Borrower with full power of substitution in the premises.

Dated: _____, 20____.

In 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 (or continued if established by Prior Ordinance) and established with, 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) Revenue Fund (established as Water Revenue Fund by Prior Ordinance and continued hereby);
- (2) Renewal and Replacement Fund (established by Prior Ordinance and continued hereby);
- (3) Series 1979 Bonds Reserve Account (established by Prior Ordinance and continued hereby); and
- (4) Project Construction Account.

Section 4.02. 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 2008 A Bonds Reserve Account.

Section 4.03. Bond Proceeds; Project Construction Account. The proceeds of sale of the Series 2008 A Bonds shall be deposited upon receipt by the Issuer in the Project Construction Account. The monies in the 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. Monies in the Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Monies 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.

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 Series 2008 A Bonds if there are not sufficient Gross Revenues to make such monthly payment.

Pending application as provided in this Section 4.03, 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 acquisition and 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 4.04. Covenants of the Issuer as to Revenues and Funds. So long as any of the Series 2008 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2008 A Bonds Reserve Account, sums sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2008 A Bonds remaining unpaid, together with interest accrued to the date of such payment, the Issuer further covenants with the holder of the Series 2008 A Bonds as follows:

A. REVENUE 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 Revenue Fund. The Revenue 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 Revenue Fund shall be disposed of only in the following order and priority, subject to the provisions of the Prior Ordinances not otherwise modified herein:

(1) The Issuer shall first each month pay from the monies in the Revenue Fund all current Operating Expenses of the System.

(2) The Issuer shall next, each month (i) on or before the due date transfer from the Revenue Fund and remit to the National Finance Office, the amount required to pay interest on the Series 1979 Bonds; and (ii) beginning on the 12th monthly anniversary of the Closing Date, transfer from the Revenue Fund and remit to the National Finance Office, the amounts required to pay the interest on the Series 2008 A Bonds.

(3) The Issuer shall next, each month (i) on or before the due date transfer from the Revenue Fund and remit to the National Finance Office, the amount required to pay principal on the Series 1979 Bonds; and (ii) beginning on the 12th monthly anniversary of the Closing Date, transfer

from the Revenue Fund and remit to the National Finance Office, the amounts required to amortize the principal on the Series 2008 A Bonds over the life of the Bond issue.

(4) The Issuer shall next, each month, transfer from the Revenue Fund and remit (i) to the Depository Bank for deposit in the Series 1979 Bonds Reserve Account one twelfth of one tenth of the maximum annual aggregate amount of interest and principal until the aggregate amount is equal to the Series 1979 Bonds Reserve Requirement; and (ii) to the Commission for deposit into the Series 2008 A Bonds Reserve Account, an amount equal to 10% of your monthly payment each month, until the amount in the Series 2008 A Bonds Reserve Account equals the Minimum Reserve; provided that, no further payments shall be made into the Series 2008 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Minimum Reserve. Monies in the Series 2008 A Bonds Reserve Account shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Series 2008 A Bonds to the National Finance Office as the same shall become due or for prepayment of installments on the Series 2008 A Bonds, or for mandatory prepayment of the Series 2008 A Bonds as hereinafter provided, and for no other purpose; provided, however, earnings from monies in the Series 2008 A Bond Reserve Account, so long as the Series 2008 A Bonds Reserve Requirement is on deposit and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer, to be deposited in the Revenue Fund.

(5) The Issuer shall next, transfer from the Renewal Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund an amount equal to 2 ½% of the Gross Revenues each month (as previously set forth in the Prior Resolutions and not in addition thereto), 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, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the

extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) After all the foregoing provisions for use of monies in the Revenue Fund have been fully complied with, any monies 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 monies in the Series 2008 A Bonds Reserve Account shall be sufficient to prepay the Series 2008 A Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2008 A 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 Renewal and Replacement Fund as herein provided, and all amounts required for the Renewal and Replacement Fund will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written directions stating the amount remitted for deposit into each such fund.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 2008 A Bonds Reserve Account as herein provided, and all amounts required for said account shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Purchaser at anytime, the Issuer shall make the necessary arrangements whereby required payments into said account shall be automatically debited from the Revenue Fund and Electronically transferred to the Commission on the dates required hereunder.

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 reserve account payments with respect to the 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 Revenue Fund, the Series 2008 A Bonds Reserve Account and the Renewal and Replacement Fund 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 Series 2008 A 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.

The Commission and the Depository Bank, at the direction of the Issuer, shall keep the monies in the Series 2008 A Bonds Reserve Account and the Renewal and Replacement Fund 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 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 Board of Investment Management. 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 interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Earnings from monies in the Series 2008 A Bonds Reserve Account so long as the Minimum Reserve is on deposit and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer to be deposited in the Revenue Fund.

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 Series 2008 A Bonds, provide evidence that there will be at least 1296 bona fide users upon the System on completion of the Project, in full compliance with the requirements and conditions of the Purchaser.

E. CHARGES AND FEES. The Issuer shall remit from the Revenue Fund to the Commission or the Depository Bank such additional sums as shall be necessary to pay the charges and fees of the Commission or the Depository Bank then due.

F. INVESTMENT OF EXCESS BALANCES. The monies 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 lawful manner for securing deposits of State and municipal funds under the laws of the State of West Virginia.

G. REMITTANCES. All remittances made by the Issuer to the Commission or 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.

Section 4.05. Interim Construction Financing. In order to pay certain costs of the Project pending receipt of proceeds of the grants and advances of principal of the Series 2008 A Bonds, the Issuer may issue and sell its interim construction notes in an aggregate principal amount not to exceed \$1,358,000 (the "Notes"). The Notes shall be in the form of a line of credit from a commercial bank or other lender, and the Issuer is hereby authorized to enter into a credit agreement with such bank or other lender. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the credit agreement.

The Notes shall be special obligations of the Issuer payable as to principal and interest solely from proceeds of the Series 2008 A Bonds or the Grants. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power of the Issuer, if any, is pledged for the payment of the Notes. The Holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth herein.

ARTICLE V

GENERAL COVENANTS

Section 5.01. General Statement. So long as the Series 2008 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2008 A Bonds Reserve Account a sum sufficient to prepay the entire principal of the Series 2008 A 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 Series 2008 A 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 Series 2008 A Bonds and sufficient to make the payments required herein into all funds and accounts 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 Series 2008 A Bonds and the Prior Bonds are outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 5.04. Issuance of Additional Parity Bonds or Obligations. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinance shall be applicable. No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

- (1) The Bonds 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.

No additional parity bonds or obligations payable out of any of the Revenues of the System shall be issued after the issuance of the Series 2008 A Bonds pursuant hereto, except with the prior written consent of the Purchaser.

The foregoing limitation may be waived or modified by the written consent of the Holder of the Series 2008 A Bonds.

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 Series 2008 A Bonds remain 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 Series 2008 A Bonds.

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 ISSUER 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 will be maintained as provided by law.

E. FLOOD INSURANCE to be procured, to the extent available at reasonable cost to the Issuer; provided, however, if the System is located in a community which has been notified as having special flood or mudslide prone areas, flood insurance must be obtained.

F. FIDELITY BONDS will be provided as to every member of the Governing Body and as to every officer and employee of the Issuer having custody of the Revenue Fund or of any Revenues or other funds of the Issuer in such amount as may be requested by the Purchaser from time to time.

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 Series 2008 A Bonds are 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 Lien. For the further protection of the Holder of the Series 2008 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to

be valid and binding and shall take effect immediately upon the delivery of the Series 2008 A Bonds and shall be for the equal benefit of the Series 2008 A 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 upon the Series 2008 A Bonds at the date specified for payment thereof; or

B. Failure to duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Series 2008 A Bonds 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 Series 2008 A Bonds are 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; Audits. 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 Series 2008 A Bonds are 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.

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 December 18, 2006, which rate ordinance is incorporated herein by reference as a part hereof.

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.

G. The Issuer shall not be liable to any customer for any damage resulting from bursting or breakage of any pipe, line, main, valve, equipment or part or from discontinuance of the operation of any part of the System or from failure of any part thereof for any cause whatever.

H. In case of emergency, the Issuer shall have the right to restrict the use of any part of the System in any reasonable manner for the protection of the System and the inhabitants of the Issuer.

I. The fees, rates and charges above provided will be increased whenever such increase is necessary in order to comply fully with all provisions hereof, and the Issuer shall always be obligated to and shall fix, establish and collect fees, rates and charges for the services and facilities of the System which shall at all times be sufficient to provide revenues to meet its payments and obligations provided hereunder, but in any event, not less than 110% of the annual debt service on the Bonds outstanding.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holder of the Series 2008 A Bonds, 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 Series 2008 A Bonds, the pledge of Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2008 A Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Except through such direct payment to the Holder of the Series 2008 A Bonds, the Issuer may not defease the Series 2008 A Bonds or otherwise provide for payment thereof by escrow or like manner.

Section 7.02. Modification or Amendment. Prior to issuance of the Series 2008 A Bonds, this Ordinance may be amended or supplemented in any way by ordinance or resolution. Following issuance of the Series 2008 A Bonds, no modification or amendment of this Ordinance, or any ordinance or resolution amendatory hereof or supplemental hereto, shall be made without the prior written consent of the Purchaser.

Section 7.03. Delivery of Bonds. The Mayor is hereby authorized and directed to cause the Series 2008 A Bonds, 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 Series 2008 A Bonds.

Section 7.05. Prior Ordinance; Conflicting Provisions Repealed. The Prior Ordinance and all parts thereof not hereby changed shall continue in full force and effect and this Bond Legislation shall be supplemental to the Prior 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 adoption and 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 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 Council 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 *Independent Herald*, being qualified newspapers of general circulation in the Town of Pineville, no newspaper being published therein, together with a notice stating that this Ordinance 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 not prior to the last date of such publication, and present protests, and that a certified copy of the Ordinance is on file in the office of the Recorder 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: June 16, 2008

Passed on Second Reading: July 21, 2008

Passed on Final Reading
Following Public Hearing: August 18, 2008

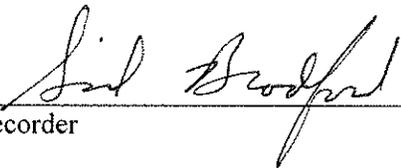


Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the Town of Pineville on the 18th day of August, 2008, which Ordinance has not been repealed, rescinded, modified, amended or revoked, as witness my hand and the seal of the Town of Pineville on this 15th day of September, 2008.

[SEAL]


Recorder

08.15.08
704440.00001



TOWN OF PINEVILLE

Water Revenue Bonds, Series 2008 A
(United States Department of Agriculture)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION MAKING PROVISIONS AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2008 A OF THE TOWN OF PINEVILLE, AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of the Town of Pineville (the "Issuer") has duly and officially adopted and enacted a bond ordinance, August 18, 2008 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE TOWN OF PINEVILLE, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$1,858,500 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2008 A (UNITED STATES DEPARTMENT OF AGRICULTURE); DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

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 Water Revenue Bonds, Series 2008 A, of the Issuer (the "Series 2008 A Bonds"), in an aggregate principal amount not to exceed \$1,858,500, and has authorized the execution and delivery of the documents relating to the Bonds, all in accordance with Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (collectively, the "Act");

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted;

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

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 following bonds of the Issuer:

A. Water Revenue Bonds, Series 2008 A (United States Department of Agriculture), of the Issuer, originally represented by a single Bond, numbered AR-1 in the principal amount of \$1,358,500. The Series 2008 A Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of 4.375% per annum, interest only payable in monthly installments for the first 24 months commencing 30 days following delivery of the Series 2008 A Bonds and continuing on the corresponding day of each month and, thereafter, principal and interest are payable in monthly installments of \$6,127 on the corresponding day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of the Series 2008 A Bonds, in the sum of the unpaid principal and interest due on the date thereof, except that prepayments may be made as hereinafter provided and as provided in the Series 2008 A Bonds, all such payments to be made at the National Finance Office, St. Louis, Missouri 63103, or at such other place as the Purchaser may designate after issuance of the Series 2008 A Bonds. Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer.

Section 2. The Mayor and the Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about September 15, 2008, to the Purchaser.

Section 3. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 4. The cost of the Project is estimated not to exceed \$4,418,900, of which approximately \$1,358,500 will be obtained from proceeds of the Series 2008 A Bonds and \$1,660,400 will be obtained as a grant from the Purchaser and \$1,400,000 as a grant from the West Virginia Development Office.

Section 5. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 11th day of September, 2008.



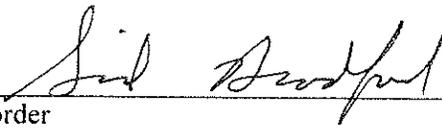
Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the Town of Pineville on the 11th day of September, 2008.

Dated: September 15, 2008.

[SEAL]


Recorder

08.26.08
704440.00001



UNITED STATES DEPARTMENT OF AGRICULTURE - RURAL DEVELOPMENT

RURAL UTILITIES SERVICE

RESCHEDULING AGREEMENT

Borrower's Name: Town of Pineville

State: West Virginia

County: Wyoming

Case No.: 57-55-556000877

Fund Code: 91 Loan No. 03

Amount Rescheduled: \$143,352.00

Interest Rate: 5%

Effective Date: January 14, 2000

The undersigned, a public body entity (herein called "Borrower"), being indebted for a loan made by the United States Department of Agriculture, acting through the Rural Utilities Service, (herein called the "Government"), as evidenced by a bond or other debt instrument (herein called the "Bond" dated June 14, 1979, with an outstanding balance in the principal sum of \$1,375,475.71 plus accrued interest as of 1/14/2000, in the sum of \$45,925.06, and being in default under that bond, hereby agrees with the Government as follows:

1. AMOUNT: The amount of the debt rescheduled is \$143,352.00, consisting of \$97,426.94 principal, plus \$45,925.06 accrued interest. This amount represents:

THE DELINQUENT AMOUNT ONLY

2. REPAYMENT SCHEDULE: The first installment of the rescheduled amount, including interest at the bond rate shown above, in the amount of \$1,134.00, will be due and payable on February 14, 2000; thereafter, monthly regular installments, each in the amount of \$1,134.00, will be due and payable on the 14th day of each month until the rescheduled amount has been fully repaid. The final installment, if not sooner paid, shall be due and payable fifteen (15) years from the effective date of this Rescheduling Agreement. Regular payments of \$8,436.00 are due in accordance with the bond, in addition to the rescheduled monthly payments of \$1,134.00 as specified above.
3. The Government, as consideration for this agreement, will not enforce the remedies

available to it by reason of any payment default occurring prior to the effective date of agreement.

4. This agreement establishes a revised payment schedule to bring the delinquent loan account involved current, and nothing herein shall be construed as affecting any of the terms or conditions of the bond other than the payment schedule or suggest the satisfaction of the outstanding bond.
5. Upon default by the Borrower on any terms or conditions of this agreement or other agreement, or violation of other rights of the Government as a lender, the Government at its option may declare the entire indebtedness immediately due and payable and exercise any and all rights and remedies available to it.

RESOLUTION 1400
By ~~ordinance~~ duly adopted on the 4th day of January, 2000, Town of Pineville the Borrower has authorized its Mayor to execute this agreement and its Recorder to affix its corporate seal.



Town of Pineville
NAME OF BORROWER

BY: *Melinda Clay*
Melinda Clay (Recorder)

BY: *Tim Ellison (Mayor)*
Tim Ellison (Mayor)

TOWN OF PINEVILLE

Waterworks Improvement and Refunding Bond,
Series 1979

and

Bond Anticipation Notes

BOND ORDINANCE

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TOWN OF PINEVILLE

ORDINANCE AUTHORIZING THE ISSUANCE OF \$1,718,000 WATERWORKS IMPROVEMENT AND REFUNDING REVENUE BOND, SERIES 1979, AND BOND ANTICIPATION NOTES OF THE TOWN OF PINEVILLE TO FINANCE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS FOR THE EXISTING WATERWORKS OF THE TOWN AND TO REDEEM THE 1963 BONDS; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND AND THE NOTES; PROVIDING FOR RATES FOR THE SERVICES OF THE WATERWORKS AND FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDERS OF THE BOND AND THE NOTES; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS
AND DEFINITIONS

Section 1.01. Authority for This Ordinance. This Ordinance is adopted pursuant to the provisions of Article 19, Chapter 8 and Article 2E, Chapter 13 of the West Virginia Code (collectively called the "Act") and other applicable provisions of law.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

(A) The Town of Pineville (the "Issuer"), in the County of Wyoming, State of West Virginia, is now served by a public waterworks system (the "System"), but such System is not adequate. The inhabitants of the Issuer and surrounding area served by the System urgently require that the System be improved as herein provided.

(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 additions, extensions and improvements to the existing waterworks system of the Issuer consisting of the installation of additional water lines, storage tank, and a new water filtration plant, 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 Recorder of the Issuer. The construction and acquisition 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) It is necessary for the Issuer to issue its revenue bond in the principal amount of \$1,718,000 to finance a portion of the cost of the Project and to refund the 1963 Bonds in the manner hereinafter provided and, prior to delivery of the Bond, it is necessary for the Issuer to issue its bond anticipation notes in the same principal amount to provide temporary construction funds.

(D) The estimated maximum cost of the acquisition and construction of the Project and the refunding of the 1963 Bonds is \$3,644,000 of which \$1,718,000 will be obtained from the proceeds of sale of the Bond herein authorized, the sum of \$1,076,000 from a grant from the Government, \$450,000 will be obtained from a grant from the United States Department of Housing and Urban Development, the sum of \$350,000 will be obtained from a grant from the State of West Virginia, and the sum of \$50,000 will be obtained from a grant by Appalachian Regional Commission. The cost to refund and redeem the 1963 Bonds is the sum of \$100,000 for principal thereof and the sum of \$3,000 for the redemption premium thereon.

(E) The cost of such construction shall be deemed to include, without being limited to, the construction or acquisition of the Project, the acquisition of any necessary property, real or personal, or interest therein; interest on the Bond prior to, during and for six months after completion of such construction to the extent that revenues of the System are not sufficient therefor; 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 construction of the Project and the financing authorized hereby.

(F) The period of usefulness of the System after completion of the Project is not less than forty years.

(G) There are outstanding three series of obligations of the Issuer, two of which will rank senior and superior to the Bond hereby authorized as to liens and source of and security for payment, and one of which will be refunded and redeemed as herein provided, as follows:

(1) Water Revenue Bonds dated November 1, 1948 (the "1948 Bonds"), now outstanding in the principal amount of \$44,000, the last maturity of which is September 1, 1982, all bearing interest at the rate of 3-1/2% per annum;

(2) Water Revenue Bonds, Series 1954, dated November 1, 1954 (the "1954 Bonds"), issued and now outstanding in the principal amount of \$55,000, payable serially on November 1 of the years 1983 through 1988, all bearing interest at the rate of 4% per annum;

(3) Water Revenue Bonds dated November 1, 1963 (the "1963 Bonds"), issued and now outstanding in the principal amount of \$100,000, payable serially on November 1 of the years 1988 through 1994, all bearing interest at the rate of 4-3/4% per annum, subject to redemption prior to maturity at a premium of 3% on any interest payment date on or after November 1, 1973, and hereby ordered to be redeemed and paid in full on the first interest payment date (May 1 or November 1) occurring not less than 60 days after delivery of the Bond, such redemption expected to occur November 1, 1979.

The 1948 Bonds are senior and superior as to liens and source of and security for payment to the 1954 Bonds and the Bond, and the 1954 Bonds are senior and superior as to liens and source of and security for payment to the Bond, which is junior and subordinate in all respects to the 1948 Bonds outstanding and the 1954 Bonds outstanding.

The 1948 Bonds were authorized by ordinance of the Issuer enacted October 25, 1948 (the "1948 Ordinance"); the 1954 Bonds were authorized by ordinance of the Issuer enacted on or about April 26, 1955 (the "1954 Ordinance"); and the 1963 Bonds were authorized by ordinance of the Issuer enacted November 27, 1963 (the "1963 Ordinance").

Section 1.03. Refunding and Redemption of 1963 Bonds Ordered; Escrow Fund Established. The 1963 Ordinance contains the requirement that the net water revenues of the Issuer, so long as the 1963 Bonds shall be outstanding, shall equal 1.50 times the average annual principal and interest requirements on all bonds then outstanding which are payable out of such water revenues. Such provision is hereby found to be excessively burdensome to the Issuer and the customers of the System, particularly in light of the currently provided Bond issue, and, accordingly, it is hereby determined and ordered that the 1963 Bonds be refunded from the proceeds of the Bond issue by redemption thereof on the earliest redemption date hereafter permitted by the 1963 Ordinance and occurring after delivery of the Bond and after time has been afforded property to arrange such redemption, which date is expected to be November 1, 1979.

The Recorder-Treasurer is hereby authorized and directed to give notice of the redemption of all the 1963 Bonds in accordance with the 1963 Ordinance by publication of such notice on or before September 15, 1979, in a newspaper of general circulation published in the City of Charleston, West Virginia, which newspaper shall be The Charleston Daily Mail. Such notice shall state in effect that sufficient moneys have been deposited in the 1963 Sinking Fund (hereinafter described) to pay and redeem the 1963 Bonds on November 1, 1979, and that after such date, the 1963 Bonds shall cease to bear interest. Such notice with prepayment of the cost thereof shall be delivered to said newspaper prior to delivery of the Bond.

Simultaneously with delivery of the Bond, the sum of \$103,000 from the proceeds of sale thereof shall be deposited in escrow with the West Virginia Municipal Bond Commission (the "Municipal Bond Commission") in the Water Revenue Bonds, Series of 1963 Sinking Fund (the "1963 Sinking Fund") established by the 1963 Ordinance and irrevocable instructions shall be delivered to the Municipal Bond Commission, together with a copy of such notice of redemption, to the effect that moneys in the 1963 Sinking Fund shall be used solely and only to pay and redeem on November 1, 1979, all the 1963 Bonds and the interest thereon and a redemption premium on each 1963 Bond equal to 3% of the par value thereof. In the event that such sum of \$103,000, together with moneys to be on deposit in the 1963 Sinking Fund at the date of delivery of the Bond would not

be sufficient for such purposes, then prior to delivery of the Bond the Issuer shall deposit in the 1963 Sinking Fund from the Renewal and Replacement Fund established by the 1948 Ordinance and continued by the 1954 Ordinance and the 1963 Ordinance sufficient moneys, as a Project cost, or from other available moneys of the Issuer, to make up any deficiency which would otherwise exist in the 1963 Sinking Fund for full payment of the 1963 Bonds and the interest and redemption premiums thereon and all charges of paying agents applicable thereto.

There is hereby established the Escrow Fund with the Municipal Bond Commission pursuant to the Escrow Agreement.

Upon compliance with all the foregoing, the 1963 Ordinance shall be defeated, repealed and of no further effect except to require that the 1963 Bonds be paid from the 1963 Sinking Fund.

(H) The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bond, or will have so complied prior to issuance of the Bond including, among other things, the consent and approval, pursuant to the Act, of the issuance of the Bond by the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired. The interim financing by the Notes shall also be so approved prior to delivery thereof.

Section 1.04. Ordinance to Constitute Contract. In consideration of the acceptance of the Bond by the Purchaser and of the Notes by the purchasers thereof, this Ordinance (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Bondholder and the holders of the Notes, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Purchaser as holder of the Bond and for the holders of the Notes.

Section 1.05. Definitions. The following terms shall have the following meanings herein unless the text otherwise expressly requires:

"Act" means collectively Article 19, Chapter 8 and Article 2E, Chapter 13, of the West Virginia Code.

"BAN" means the Bond Anticipation Notes hereinafter provided for and any refunding bond anticipation note or notes hereafter issued.

"Bond" means the Waterworks Improvement and Refunding Revenue Bond, Series 1979, authorized hereby to be issued and also means and includes the BAN unless the context clearly would exclude the BAN.

"Bond Legislation" means this Ordinance and all ordinances and resolutions supplemental hereto or contemplated herein.

"Consulting Engineer" means Gates Engineering Company, Beckley, 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.

"Escrow Agreement" means the agreement between the Issuer and The West Virginia Municipal Bond Commission in the form of agreement to be attached hereto.

"Facilities" or "waterworks 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.

"Fiscal Year" means each year beginning on July 1 and ending on the succeeding June 30.

"Governing Body" means the Common Council of the Issuer.

"Government" means United States of America, acting by and through the United States Department of Agriculture, Farmers Home Administration.

"Herein" means in this Bond Legislation.

"Holder of the Bond" or "Bondholder" or any similar term means any person who shall be the bearer or owner of the Bond and, unless the context clearly would exclude the BAN, also means the holders of the BAN.

"Issuer" means the Town of Pineville, in Wyoming County, West Virginia, and includes the Governing Body and any department, board, agency or instrumentality thereof at any time in control of the management and operation of the System.

"Mayor" means the Mayor of the Issuer.

"Net Revenues" means the balance of the gross revenues, as defined below, remaining after deduction only of operating expenses, as defined below.

"Notes" means the BAN.

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

"Project" shall have the meaning stated in Section 1.02(B) above.

"Purchaser" means United States Department of Agriculture, Farmers Home Administration and any successor thereof.

"Recorder" means the Recorder-Treasurer of the Issuer.

"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.

"System" means and includes the complete waterworks system of the Issuer as expanded by the Project and all waterworks 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 waterworks system; and shall also include any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the waterworks system after completion of the Project.

"Trustee" wherever herein reference is made to Castle Rock Bank, Pineville, West Virginia, as Trustee, such reference shall be construed to mean that said Bank is the depository of the BAN Note Repayment Account and the Project Construction Account in the event that said Bank is not qualified under West Virginia law to serve as a Trustee.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

ARTICLE I A

BOND ANTICIPATION NOTES

Section 1.01 A. Authorization and General. In order to pay certain costs of the construction of the Project pending the delivery of the Bond to the Purchaser, bond anticipation notes ("BAN") of the Issuer shall be issued and sold in the amount of \$1,718,000.

Each BAN shall be designated "Bond Anticipation Note," shall be dated on the date of delivery thereof, shall be numbered 1 upward, shall be in such denominations as the Governing Body shall determine by Bond Legislation supplemental hereto, shall be negotiable, in bearer form, shall bear interest from the date of delivery payable and at the rate or rates, shall mature, shall have such paying agents and shall have such other provisions as are not set forth herein as provided in such supplemental Bond Legislation. The BAN shall contain the provisions shown in the form of BAN set forth in Section 1.12 A below.

The BAN shall be executed for the Issuer by the Mayor, and the seal of the Issuer shall be impressed thereon and attested by the signature of the Recorder.

The BAN shall be sold pursuant to a Purchase Agreement to be entered into between the Issuer and Underwriters pursuant to such supplemental Bond Legislation.

Section 1.02 A. Deposit of BAN Proceeds. The amount received upon the sale of the BAN, less interest to become due until the maturity thereof, and less moneys to be deposited in the Escrow Fund established by the Escrow Agreement shall be deposited on receipt by or for the Issuer in Castle Rock Bank, Pineville, West Virginia (the "Trustee"), a member of the Federal Deposit Insurance Corporation ("FDIC"), in the Project Construction Account established by Section 3.01 hereof; provided, that the Issuer may designate any other bank in West Virginia as Trustee if the above-named Trustee should refuse or be unable to serve.

The balance received from the proceeds from the sale of the BAN shall be for payment of the interest on the BAN as such interest becomes due, and shall be directly deposited on receipt by or for the Issuer with the Trustee in a special segregated account designated "Town of Pineville BAN Repayment Account," as more particularly described and upon the further terms and conditions of Section 1.06 A hereof.

Section 1.03 A. Security for the BAN. The BAN shall be secured by the pledge by the Issuer of and by a first lien on (i) the obligation of the Purchaser to make the loan to the Issuer in the amount of \$1,718,000 (the "Loan") by purchasing the Bond, (ii) the proceeds of the sale of the Bond when received from the Purchaser, (iii) all moneys and securities in the BAN Repayment Account, (iv) the proceeds from the sale of the BAN until expended as herein authorized, (v) the proceeds of sale of the BAN refunding notes, if any, and (vi) subject to the prior liens and pledges in favor of the 1948 Bonds and the 1954 Bonds, the Net Revenues of the

System until payment of the BAN, and said pledge by the Issuer for the benefit of the holders of the BAN, to the extent of the aggregate principal amount of the BAN and the interest thereon, is hereby made and granted. The Issuer will execute such financing statements, security agreements and other documents that may be required to perfect such pledge and lien. The Trustee shall act as agent for the holders of the BAN in connection with the execution of all financing statements and other instruments necessary under applicable laws in order to perfect the interests of the holders of the BAN in the assets pledged hereby, and to receive all notices and respond to all inquiries in connection therewith. The BAN shall also be secured by a statutory mortgage lien on the System as provided in the Act.

Section 1.04 A. Payment of BAN. The Issuer will immediately deposit with the Trustee all proceeds from the sale of the Bond and of any refunding BAN to pay the BAN, to be placed by the Trustee directly into the BAN Repayment Account held by the Trustee. Upon maturity of the BAN, the Trustee will pay to the Paying Agents all principal and interest owing on the BAN.

Section 1.05 A. BAN Are Limited Obligations. The BAN shall be limited obligations of the Issuer, the interest of which is payable solely from certain of the proceeds from the sale of the BAN, the principal of which is payable from the sources described in Section 1.03 A above, or, the principal of and interest on which are payable from the Net Revenues in the event that the Purchaser shall not purchase the Bond in accordance with its agreement to do so.

Section 1.06 A. Trustee; BAN Repayment Account. The Trustee shall segregate all funds and securities in the BAN Repayment Account separate and apart from other deposits and funds of the Trustee and other deposits and funds of the Issuer, including the Project Construction Account. All moneys in the BAN Repayment Account, until payment in full of all principal and interest owing on the BAN at maturity, shall be held by the Trustee for the holders of the BAN, and the Issuer shall have no rights with respect thereto. All moneys in the BAN Repayment Account in excess of the amount insured by FDIC shall be continuously secured by, or invested by the Trustee in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America ("Federal Obligations") which Federal obligations shall mature at least 1 day prior to need for the funds for payment of interest on or principal of the BAN. At or prior to any interest payment date and the maturity of the BAN, the Trustee shall transfer to the Paying Agents in immediately available funds the amount of interest or principal and interest owing on the BAN. Upon such transfer the Trustee shall pay to the Issuer any excess amounts remaining in the BAN Repayment Account, and the Issuer shall deposit any such amounts in the Project Construction Account. The Trustee is hereby authorized, upon payment of all principal and interest owing on the BAN, to execute UCC termination statements indicating the termination of the security interest of the holders of the BAN in the assets referred to in Section 1.03 A hereof.

The Issuer shall pay to the Trustee from time to time reasonable compensation for all services rendered by the Trustee under the Bond Legislation and all reasonable expenses, charges, counsel fees and other disbursements incurred by the Trustee in connection

with its performance of its functions hereunder. The Issuer shall from time to time have the right to appoint a successor Trustee provided that such successor Trustee be a bank or trust company or national banking association insured by the FDIC. The Trustee shall signify its acceptance of the duties and obligations hereby imposed by executing and delivering to the Issuer a written acceptance thereof.

Section 1.07 A. Paying Agents. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. The Issuer may appoint as successor Paying Agent any bank, trust company or national banking association. The Underwriters shall pay to each Paying Agent (except the Trustee) from time to time reasonable compensation for all services rendered hereunder and all reasonable expenses, charges, counsel fees, and other disbursements incurred in connection with the performance of its obligations hereunder.

Section 1.08 A. Covenants. The Issuer agrees that until payment in full of the principal and interest owing on the BAN, the covenants contained in Article IV for the benefit of the Bondholder shall inure to the benefit of the holders of the BAN as if the holders of the BAN were the Bondholder.

In addition, the Issuer covenants to issue and sell the Bond to the Purchaser not later than one business day before the maturity of the BAN and to take all actions necessary to cause the Purchaser to purchase the Bond on or before such date, payment for the Bond to be in Federal funds available on date of the Bond delivery.

Section 1.09 A. Refunding BAN. The Issuer covenants that in the event the Bond is not issued and sold not later than one day prior to the due date of the BAN, it will use its best efforts to sell one or more series of its Bond Anticipation Refunding Notes hereunder in such aggregate amount as shall be necessary to pay the principal of the BAN, accrued interest thereon to maturity and the expense of issuing the Bond Anticipation Refunding Notes. The proceeds of the Bond Anticipation Refunding Notes, after making provision for the payment of the expenses of issuance thereof, shall be deposited in the BAN Repayment Account and used solely for the payment of the principal of and accrued interest on the BAN.

All Bond Anticipation Refunding Notes shall be in substantially the same form as the BAN, but shall be of such denominations, bear such dates, bear interest at such rates, have such maturity dates and contain an appropriate series designation, all as shall be provided in the supplemental resolution authorizing such Bond Anticipation Refunding Notes.

Section 1.10 A. Events of Default and Enforcement. Each of the following events is hereby declared an "Event of Default": (a) failure to make timely payment of all principal and interest owing on the BAN at due date or maturity; and (b) failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer for the benefit of the holders of the BAN as hereinabove provided.

On the happening of any Event of Default, then, and in each such case, the holders of the BAN or any one or more of such holders shall be entitled to proceed against all assets pledged for payment of the BAN held, and shall have and are hereby given all further rights and remedies as are granted hereby to the Bondholder. Each holder of a BAN shall be deemed to be a Bondholder upon such default.

In the event that the BAN are not paid when due, the interest rate on the BAN after maturity until payment thereof in full shall be 8% per annum, and the Issuer will pay the holders of the BAN not paid when due the principal amount of the BAN together with interest at the rate shown on the BAN from the date of the BAN until the due date thereof, and plus interest on the principal of the BAN at the rate of 8% per annum from the due date of the BAN until payment thereof in full.

Section 1.11 A. Defeasance of BAN. Upon deposit by the Issuer with the Trustee of moneys sufficient to pay the BAN at maturity or of Federal Obligations, the principal of and interest on which will be sufficient to pay the BAN at maturity, the BAN shall be considered to have been paid in full pursuant hereto except as provided below, and the lien and pledge hereby granted shall be deemed to be and shall be cancelled and discharged; and the holders of the BAN shall, upon such deposit, be entitled to payment of the BAN and the interest thereon at maturity solely from the moneys then on deposit with the Trustee. All moneys and all securities deposited in accordance with the provisions of this Section shall at all times be under the exclusive control of the Trustee, shall be held by it for the sole benefit of the holders of the BAN, and shall be applied solely to the payment of the BAN except as expressly provided in this Section; and the Issuer shall have no rights or powers with respect to nor any interest in such moneys or securities or any part thereof. All moneys remaining on deposit with the Trustee at the close of business on the earlier of (A) the expiration of six months after the latest maturity date of the BAN issued hereunder or (B) the date on which all BAN have been paid in full, shall be released to the Issuer upon its written request and the Trustee shall have no further obligation in respect of the payment of such BAN and thereafter the holder of any BAN shall look to the Issuer for payment.

Section 1.12 A. Resolution. Following adoption hereof, and upon receipt of the Purchase Agreement referred to in Section 1.01 A, the Issuer, if it be so advised, will adopt a Resolution approving the Purchase Agreement and ordering the issuance of the BAN pursuant hereto and to the Resolution, which Resolution will provide, among other things, the interest rate or rates on the BAN, the interest payment dates, the maturity date and the sale price of the BAN and such other matters as shall be required or desired in connection with issuance of the BAN.

Section 1.13 A. Form of BAN. The BAN shall be in the following form, subject to such changes, insertions and deletions as the Mayor shall agree to by execution of the BAN:

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF PINEVILLE
WATER SYSTEM BOND ANTICIPATION NOTE

No.

\$

THE TOWN OF PINEVILLE, a municipal corporation in Wyoming County of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay to bearer upon presentation and surrender hereof the sum of

_____ without option of prior redemption, on the _____ day of _____, 19____, with interest at the rate of _____ per cent (_____ %) per year payable at maturity. Both principal and interest are payable in lawful money of the United States of America at the principal office of Castle Rock Bank, Pineville, West Virginia, or at the option of the holder, at _____, New York, New York.

This Note is one of a series of Notes in the aggregate principal amount of \$1,718,000 duly authorized by the Issuer and issued in anticipation of the issuance of the Waterworks Improvement and Refunding Revenue Bond, Series 1979 (the "Bond"), of the Issuer in the principal sum of \$1,718,000 for aiding in the construction of additions, extensions and improvements to the existing public waterworks system (the "System") of the Issuer and refunding a series of bonds of the Issuer outstanding.

Farmers Home Administration of the United States Department of Agriculture has agreed to purchase the Bond at least one day prior to the due date of the issue of Notes of which this Note is one.

The principal of this Note, and of the issue of Notes of which this Note is one, is payable solely, equally, ratably, and only from the proceeds of sale of the Bond and certain proceeds, if any, from the sale of refunding notes, and, if Farmers Home Administration should not purchase the Bond as agreed, and subject to the prior liens and pledges of the 1948 Bonds and 1954 Bonds referred to in the Bond Legislation mentioned below, from the Net Revenues of the System defined in the Resolution mentioned below. The proceeds of sale of the Bond and certain proceeds, if any, from the sale of the refunding notes have been pledged to the Noteholders to secure payment of the principal of the Notes.

Moneys from the proceeds of sale of the Notes to pay the interest on the Notes have been deposited with Castle Rock Bank, Pineville, West Virginia, as Trustee.

The Notes of the issue of which this Note is one are limited and special obligations of the Issuer, and do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitations or provisions, and the Issuer shall not be obligated to pay this Note and the Notes of the issue of which this Note is one or the interest thereon except from the proceeds of sale of the said Bond received by the Issuer and the proceeds of the Notes and certain proceeds from the sale of

refunding notes and any other sources which may be provided by the Bond Legislation authorizing issuance of the Notes and the Bond.

The Notes of the issue of which this Note is one have been duly authorized by an Ordinance and a Resolution (collectively called the "Bond Legislation") of the Issuer pursuant to West Virginia Code, Chapter 8, Article 19 and Chapter 13, Article 2E.

Every requirement of law relating to the issuance hereof has been duly complied with.

IN WITNESS WHEREOF, THE TOWN OF PINEVILLE has caused this Note to be signed by its Mayor and has caused its seal to be hereto affixed and attested by its Recorder, all as of the date below written.

Dated:

THE TOWN OF PINEVILLE

[SEAL]

By _____
Mayor

ATTEST:

Recorder

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION,
REGISTRATION AND ISSUE OF BOND

Section 2.01. Authorization of Bond. Subject and pursuant to the provisions of this Ordinance, the Bond of the Issuer, to be known as "Waterworks Improvement and Refunding Revenue Bond, Series 1979," is hereby authorized to be issued in the aggregate principal amount of not exceeding One Million Seven Hundred Eighteen Thousand Dollars (\$1,718,000) for the purpose of financing a portion of the cost of the construction and acquisition of the Project and refunding the 1963 Bonds.

Section 2.02. Description of Bond. The Bond shall be issued in negotiable form, No. 1, without coupons and shall be dated on the date of delivery. The Bond shall bear interest from date, payable monthly at the rate of five per centum (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.

The Bond shall be and have all the qualities and incidents of a negotiable instrument under the laws of the State of West Virginia.

Section 2.03. Execution of Bond. The Bond shall be executed in the name of the Issuer by the Mayor and its corporate seal shall be affixed thereto and attested by the Recorder.

Section 2.04. Bond 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 2.05. Bond and BAN Secured by Pledge of Revenues. The payment of the debt service of the Bond and the BAN shall be secured forthwith by a lien on the net revenues derived from the System in addition to the statutory mortgage lien on the System hereinafter provided for, but both such liens are junior and subordinate to the liens in favor of the 1948 and 1954 Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on the Bond and the BAN, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Bond and the BAN as the same become due, but subject to the prior pledges in favor of the 1948 and 1954 Bonds.

Section 2.06. 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 any resolution adopted after the date of adoption hereof and prior to the issuance thereof:

(Form of Bond)

WATER REVENUE BOND, SERIES 1979

TOWN OF PINEVILLE

\$1,718,000

No. 1

Date: _____

FOR VALUE RECEIVED, the TOWN OF PINEVILLE (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (the "Government"), 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 One Million Seven Hundred Eighteen Thousand Dollars (\$1,718,000), plus interest on the unpaid principal balance at the rate of five per cent (5%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Installments of interest only on the first day of each month for the first twenty-four months after the date hereof and \$8,436, covering principal and interest, thereafter on the first day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of this Bond, 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 reverse 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 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 construction and acquisition of additions, extensions and improvements to the waterworks system (the "System") of the Borrower, is payable solely from 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.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Article 19 of Chapter 8 and Article 2E of Chapter 13 of the West Virginia Code (collectively called the "Act") and with an Ordinance of the Borrower duly enacted.

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 junior and subordinate in all respects to the 1948 Bonds and the 1954 Bonds described in the said Ordinance.

TOWN OF PINEVILLE
(Name of Borrower)

[CORPORATE SEAL]

(Signature of Executive Official)

Mayor
(Title of Executive Official)

(Post Office Box No. or Street Address)

Pineville, West Virginia 24874
(City, State and Zip Code)

ATTEST:

(Signature of Attesting Official)

Recorder
(Title of Attesting Official)

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$		(6) \$	
(2) \$		(7) \$	
(3) \$		(8) \$	
(4) \$		(9) \$	
(5) \$		(10) \$	
TOTAL		\$	

ASSIGNMENT

Pay to the Order of _____

UNITED STATES OF AMERICA
FARMERS HOME ADMINISTRATION

By _____

(Title)

ARTICLE III

BAN PROCEEDS; REVENUES AND APPLICATION THEREOF

Section 3.01. BAN Proceeds; Project Construction Account. The proceeds of sale of the BAN, less interest to become due until the maturity thereof and less the moneys to be deposited in the Escrow Fund established by the Escrow Agreement shall be deposited on receipt by the Issuer in Castle Rock Bank, Pineville, West Virginia, a member of Federal Deposit Insurance Corporation (the "FDIC"), in a special account hereby created and designated as "Town of Pineville Project Construction Account" (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 such 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 construction of the Project, the Issuer will transfer from the Project Construction Account and pay to the Government on or before the fifteenth day of each month, 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.

If the Issuer shall determine at any time that all funds on deposit in the Project Construction Account exceed the estimated disbursements on account of the Project for the ensuing 90 days, the Issuer may invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, which shall mature not later than eighteen months after the date of such investment. All such investments and the income therefrom shall be carried to the credit of the Project Construction Account.

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 3.02. Covenants of the Issuer as to Revenues and Funds. So long as the Bond shall be outstanding and unpaid, or until there shall have been set apart in the Sinking Fund and the Reserve Account hereinafter established, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Bond remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holder of the Bond as follows:

(A) Water Revenue 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 a special fund in a bank or trust company in the State of West Virginia which is a member of FDIC, which Fund, known as the "Water

Revenue Fund" was established by the 1948 Ordinance and is now with the Bank named in Section 3.01. The Water Revenue Fund shall constitute a trust fund for the purposes provided herein and shall be kept separate and distinct from all other funds of the Issuer and used only for the purposes and in the manner provided herein.

(B) Disposition of Revenues. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(1) The Issuer shall first, on the first day of each February and August for the 1948 Bonds and on the first day of each April and October for the 1954 Bonds transfer from the Water Revenue Fund and remit to the Municipal Bond Commission moneys required by the 1948 and 1954 Ordinances to be so remitted to pay the principal of and the interest on the 1948 and 1954 Bonds, respectively, as the same become due, the charges of paying agents, and to accumulate the required moneys in the Reserve Accounts in the respective Sinking Funds for the 1948 and 1954 Bonds.

(2) The Issuer shall next, each first day of September, so long as the 1948 or the 1954 Bonds are outstanding, and thereafter each month, transfer from the Water Revenue Fund and deposit in the Renewal and Replacement Fund established by the 1948 Ordinance and now with said Bank a sum equal to not less than 6% of the gross revenues derived from the System during the preceding calendar year.

(3) The Issuer shall next, each month, from the moneys in the Water Revenue Fund, pay the Operating Expenses for the previous month.

(4) The Issuer shall next, each month, pay from the Water Revenue Fund to the Bondholder, as provided in the Bond, the installment payment required by the terms of the Bond. Moneys in said Renewal and Replacement Fund and the Bond Redemption Fund established by the 1948 Ordinance may be used for such purpose to the extent necessary.

(5) The Issuer shall next, each month, transfer from the Water Revenue Fund and, to the extent necessary, from the Renewal and Replacement Fund and the Bond Redemption Fund, and deposit into the 1979 Reserve Account hereby established in said Bank, one twelfth of one-tenth of the maximum annual aggregate amount interest and principal which will fall due on the Bond until the amount in the 1979 Reserve Account equals such maximum annual aggregate amount of interest and principal (such account being called the "1979 Reserve Requirement"). After the 1979 Reserve Requirement has been accumulated in the 1979 Reserve Account, the Issuer shall monthly pay into the 1979 Reserve Account such part of the moneys remaining in the Water Revenue Fund, after such provision for payment of maturing principal of and interest on the Bond, as shall be required to maintain the 1979 Reserve Requirement. Moneys in the 1979 Reserve Account shall be used solely to make up any deficiency of revenues for payment of the principal of and interest on the Bond as the same shall mature or for mandatory prepayment of the principal of the Bond as hereinafter provided and for no other purpose.

(6) The Issuer shall next, each month, transfer from the Water Revenue Fund the moneys then remaining therein and shall deposit the same in the Bond Redemption Fund now on deposit with the said Bank. Moneys in the Bond Redemption Fund shall be used by the Issuer first to make up any deficiencies for the payment of principal of and interest on the Bond as the same become due, and next to restore to the 1979 Reserve Account any sum or sums transferred therefrom to pay such principal or interest. Thereafter, and provided that payments of installments of the Bond and into the 1979 Reserve Account are current and in accordance with the foregoing provisions, moneys in the Bond Redemption Fund may be withdrawn by the Issuer and used for extensions, replacements and improvements of the System, or any part thereof, or as provided in the 1948 Ordinance.

Whenever the moneys in the 1979 Reserve Account shall be sufficient to pay or prepay the Bond, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to pay or prepay, at the earliest practical date and in accordance with applicable provisions hereof, the Bond and accrued interest thereon to such prepayment date.

All the funds provided for in this Section shall constitute trust funds, but said Bank shall not be Trustee as to such funds, and such funds shall be used only for the purposes and in the order provided herein, and until so used the Bondholder shall have a lien thereon for further securing payment of the Bond and the interest thereon, subject to the prior and superior liens for the 1948 and 1954 Bonds. The moneys in excess of the sum insured by FDIC in the Water Revenue Fund, the 1979 Reserve Account, the Renewal and Replacement Fund and the Bond Redemption Fund shall at all times be secured, to the full extent thereof in excess of such insured sum, in a manner lawful for securing deposits of State and municipal funds under the laws of the State of West Virginia.

The aforesaid Bank (and any successor appointed by the Issuer) is hereby designated as the Fiscal Agent for the administration of the 1979 Reserve Account as herein provided, and all amounts required therefor will be deposited therein by the Issuer upon transfers of funds from the Water Revenue Fund at the times provided herein.

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.

The Fiscal Agent shall keep the moneys in the 1979 Reserve Account and the Renewal and Replacement Fund and the Bond Redemption Fund invested and reinvested to the fullest extent practicable in direct obligations of, or obligations the payment of the principal of and interest on which are guaranteed by, the United States of America and having maturities not exceeding two years. Earnings upon moneys in the 1979 Reserve Account so long as the 1979 Reserve Requirement is on deposit and maintained therein, shall be paid annually in January into the Water Revenue Fund by the Fiscal Agent.

(C) Change of Fiscal Agent. The Issuer may designate another bank insured by FDIC as Fiscal Agent if the aforesaid Bank should cease for any reason to serve or if the Governing Body determines by resolution that said Bank or its successor should no longer serve as Fiscal Agent. 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) After payment in full of all the 1963 Bonds upon redemption as herein provided, any moneys remaining in the 1963 Sinking Fund shall be transferred to and deposited in the 1979 Reserve Account.

ARTICLE IV
GENERAL COVENANTS

Section 4.01. General Statement. So long as the Bond shall be outstanding and unpaid, or until there shall have been set apart in the 1979 Reserve Account a sum sufficient to prepay the entire principal of the Bond 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 Purchaser.

Section 4.02. 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 annual debt service on the Bond and to make the payments required herein into the 1979 Reserve Account and all other payments and accruals hereby required 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 4.03. 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 4.04. Issuance of Additional Parity Bonds. No additional parity bonds payable out of the revenues of the System shall be issued after the issuance of the Bond pursuant hereto except with the prior written consent of the Purchaser.

Section 4.05. 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 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) Workmen's Compensation Coverage for all Employees of the Issuer 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.

(e) 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 Water Revenue 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, 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.

(f) National Flood Insurance, to the extent available, must be in effect.

(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 4.06. 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 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 4.07. 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 4.08. 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 ten per centum; 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 4.09. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the Secretary on the date of adoption hereof, subject to permitted changes.

Section 4.10. 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, shall mail a copy of such audit report to the Government, and shall make available the report of said accountants at all reasonable times to any customer receiving services from the System, or anyone acting for and in behalf of such customer. The Government, so long as it holds the Bond, may permit substitution of a copy of the annual audit report by the office of the State Tax Commissioner for the copy of annual audit report by a certified public accountant, insofar as the Bond is concerned.

Section 4.11. 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 4.12. No Competition. 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 4.13. Concerning Arbitrage. The proceeds of sale of the BAN and the Bond will not be invested in such a way as to violate the regulations of the Internal Revenue Service or of the Treasury Department of the United States of America in connection with the arbitrage provisions of Section 103(c) of the Internal Revenue Code of 1954, as amended.

Section 4.14. Covenant Against Encumbrances. The Issuer will not issue any obligations whatsoever payable from the revenues of the System without the prior written consent of the Government.

ARTICLE V
RATES, ETC.

Section 5.01. Initial Schedule of Rates and Charges;
Rules. A. The schedule of rates and charges for the services and facilities of the System shall be as follows, subject to change consonant with the provisions hereof:

APPLICABILITY

Applicable to entire territory served.

AVAILABILITY OF SERVICE

Available for all general domestic, commercial and industrial customers located within the service area.

RATES (per 1,000 gallons used)

First	2,000 gallons used per month	\$3.30
Next	8,000 gallons used per month	2.90
Next	10,000 gallons used per month	2.60
Next	30,000 gallons used per month	2.30
Next	50,000 gallons used per month	2.00
Next	100,000 gallons used per month	1.75
All Over	200,000 gallons used per month	1.50

MINIMUM CHARGE

No monthly bill will be rendered for less than the following amounts, according to size of meter installed:

<u>Meter Size</u>	<u>Monthly Minimum</u>
5/8 inch	\$ 6.60
3/4 inch	9.50
1 inch	16.90
1-1/2 inch	38.02
2 inch	67.58
3 inch	152.06
4 inch	270.34
6 inch	608.26

DELAYED PAYMENT PENALTY

The above tariff is net. On all accounts not paid in full within twenty (20) days of date of bill, ten percent (10%) will be added to net amount shown.

If any bill is not paid within thirty (30) days after date of bill, water service to the customer will be discontinued. Water service will not be restored until all past due bills have been paid in full and all accrued penalties plus a reconnection charge of \$15 have been paid.

CONNECTION CHARGE

Prior to award of Construction Contract there shall be a charge for connection to the system of \$50.

Subsequent to the award of the Construction Contract there shall be a charge for connection to the system of \$150 or actual cost of installation, including materials and labor, whichever is greater.

MULTIPLE OCCUPANCY

Apartment buildings and other multiple occupancy buildings shall be provided with a master meter, and multiplied by the number of units occupied therein at the time the meter is read, the minimum charge established based on the size water meter installed, or the actual charge based on the amount of water used, whichever is greater. Motels and hotels shall pay according to the size of water meter installed and the amounts of water used.

TRAILER COURTS

House trailer courts will be provided with a master meter, and multiplied by the number of units situated on the court site at the time the water meter is read, the charge established based on the minimum bill for the size water meter installed, or the actual charge based on the amount of water used, whichever is greater. House trailers (as used hereinabove) shall include both mobile and immobile units.

C. 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.

G. No allowance or adjustment in any bill for use of the services and facilities of the System shall be made for any leakage occurring on the customer's side of the water meter.

H. The Issuer shall not be liable to any customer for any damage resulting from bursting or breakage of any pipe, line, main, valve, equipment or part or from discontinuance of the operation of

any part of the System or from failure of any part thereof for any cause whatever.

I. In case of emergency, the Issuer shall have the right to restrict the use of any part of the System in any reasonable manner for the protection of the System and the inhabitants of the Issuer.

J. The fees, rates and charges above provided will be increased whenever such increase is necessary in order to comply fully with all provisions hereof, and the Issuer shall always be obligated to and shall fix, establish and collect fees, rates and charges for the services and facilities of the System which shall at all times be sufficient to provide Net Revenues to meet its obligations hereunder, but not less than 110% of the average annual debt service on the Bond.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Modification or Amendment. No material modification or amendment of this Bond Legislation, or of any Bond Legislation amendatory hereof or supplemental hereto, may be made without the consent in writing of the Purchaser.

Section 6.02. Delivery of Bond No. 1. The Mayor is hereby authorized and directed to cause Bond No. 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 6.03. Defeasance. The covenants herein may be defeased only upon conditions stated in writing in advance by the Government unless the Bond be paid in full and the Government accepts such payment and cancels the Bond.

Section 6.04. Severability of Invalid Provision. 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 6.05. Conflicting Provisions Repealed. 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) and the 1948 and 1954 Ordinances.

Section 6.06. 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 6.07. Effective Time. This Bond Legislation shall take effect following public hearing hereon in accordance with the Act.

Section 6.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract hereof, 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 Independent Herald, a newspaper published and of general circulation in Pineville, together with a notice to the effect 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 Governing Body upon a date certain, stated in such notice, which date shall be not less than ten days subsequent to the date of the second publication of the said abstract and notice, and

present protests. 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
Passed on Second and
Final Reading
Effective Following Public
Hearing Held

April 9, 1979
April 24, 1979
May 29, 1979

D. Michael Cooke
Mayor

Nuby Hawkins
Recorder

TOWN OF PINEVILLE

Waterworks Improvement and Refunding Bond,
Series 1979
and
Bond Anticipation Notes

NOTICE TO RESIDENTS OF TOWN OF PINEVILLE AND OTHER PERSONS
INTERESTED:

At a meeting of the Common Council of the Town of
Pineville held April 9, 1979, the Common Council has passed a Bond
and Note Ordinance entitled:

ORDINANCE AUTHORIZING THE ISSUANCE OF \$1,718,000 WATER-
WORKS IMPROVEMENT AND REFUNDING REVENUE BOND, SERIES
1979, AND BOND ANTICIPATION NOTES OF THE TOWN OF PINE-
VILLE TO FINANCE ACQUISITION AND CONSTRUCTION OF IMPROVE-
MENTS FOR THE EXISTING WATERWORKS OF THE TOWN AND TO
REDEEM THE 1963 BONDS; DEFINING AND PRESCRIBING THE TERMS
AND PROVISIONS OF THE BOND AND THE NOTES; PROVIDING FOR
RATES FOR THE SERVICES OF THE WATERWORKS AND FOR THE
RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDERS OF THE
BOND AND THE NOTES; AND PROVIDING WHEN THIS ORDINANCE
SHALL TAKE EFFECT

contemplating the issuance of Waterworks Improvement and Refunding
Revenue Bond, Series 1979, of the Town in the amount of \$1,718,000
to provide funds to finance the costs of acquisition and
construction of improvements for the existing waterworks system of
the Town and to refund the outstanding Water Revenue Bonds of the
Town dated November 1, 1963, and the issuance of Bond Anticipation
Notes to provide construction financing for such work pending
issuance of the said Bond.

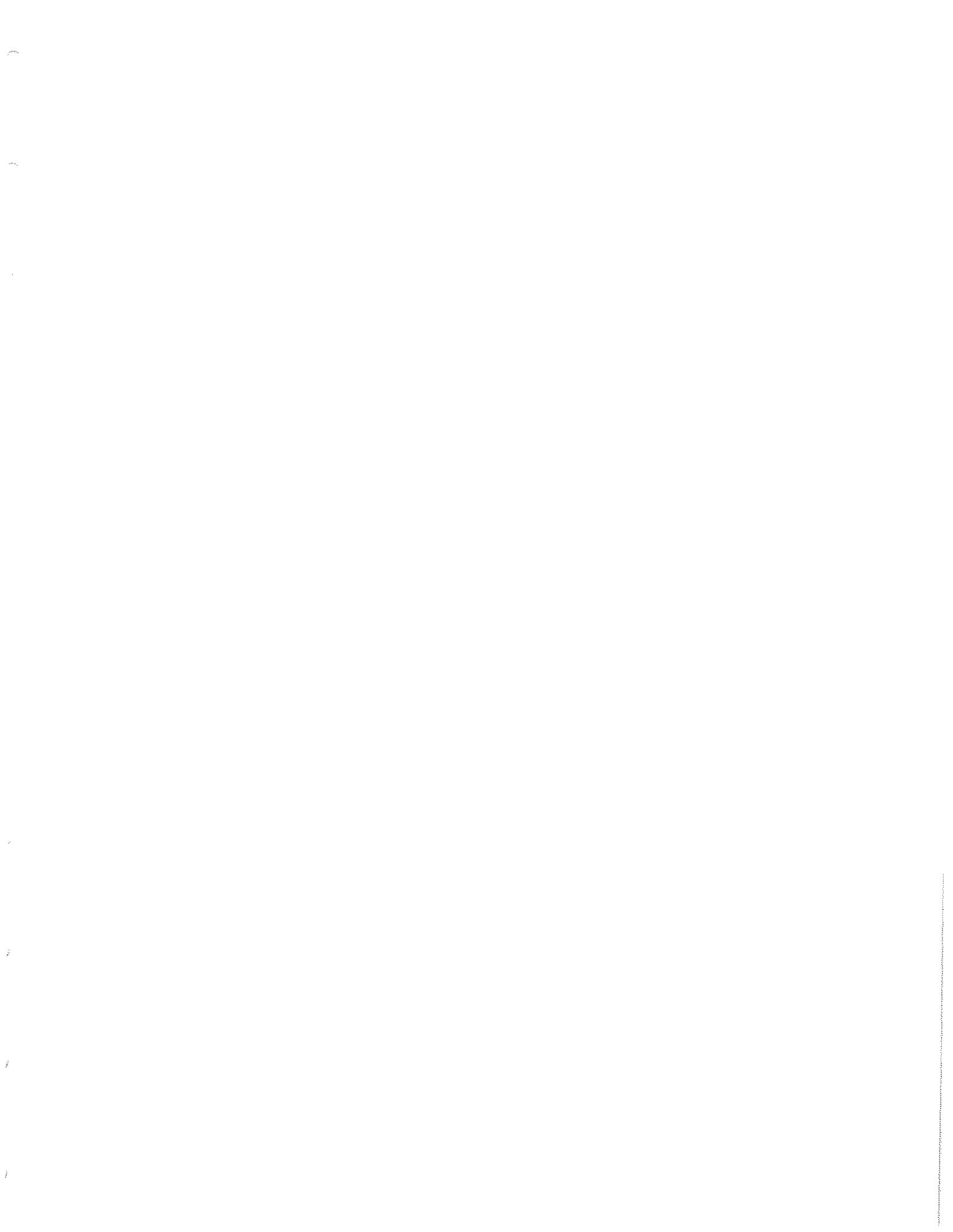
The entire amount of the principal of and interest on the
proposed Bond will be paid solely and only from the revenues
received from operation of the waterworks system, which revenues are
pledged in the Bond and Note Ordinance to the payment of the
proposed Bond and the interest thereon, but subject to the senior
and superior liens and pledges in favor of the 1948 Bonds and the
1954 Bonds described in said Ordinance.

A certified copy of the Bond and Note Ordinance is
available for examination by any interested person at the office of
the Recorder during regular office hours of such office at the
Municipal Building.

A public hearing will be held before the Common Council in
the Municipal Building on _____, 1979, at _____m.,
Eastern Standard Time, and any person or persons interested may
appear before the Common Council and be heard as to whether or not
the Bond and Note Ordinance shall be put into effect. All
suggestions and objections will be heard by the common Council.

Dated this ____ day of April, 1979.

Recorder





United States Department of Agriculture
Rural Development
West Virginia State Office

September 15, 2008

Town of Pineville
Water Revenue Bonds, Series 2008 A
(United States Department of Agriculture)

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 Series 1979 Bonds, hereinafter defined and described, hereby (i) consents to the issuance of the Water Revenue Bonds, Series 2008 A (United States Department of Agriculture) (the "Series 2008 A Bonds"), in the original aggregate principal amount of \$1,358,500, by the Town of Pineville (the "Issuer"), under the terms of the bond ordinance authorizing the issuance of the Series 2008 A Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding Water Revenue Bonds, Series 1979, dated June 14, 1979 (the "Series 1979 Bonds" or the "Prior Bonds"); (ii) waives any requirements imposed by the Prior Bonds or the ordinances authorizing the Prior Bonds (the "Prior Ordinances"), regarding the issuance of parity bonds; and (iii) consents to any amendments made to the Prior Ordinances by the Ordinance, if any.

A handwritten signature in black ink, appearing to be "D. L. ...", written over a horizontal line. The signature is stylized and cursive.

State Director

Federal Building, Suite 320 • 75 High Street • Morgantown, WV 26505-7500
Phone: (304) 284-4860 OR (800) 295-8228 • Fax: (304) 284-4893 • TDD: (304) 284-4836 • Web: <http://www.rurdev.usda.gov/wv>

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**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 12th day of February, 2008.

CASE NO. 07-1790-W-CN

PINEVILLE MUNICIPAL WATER WORKS

Application for a certificate of convenience and necessity to construct water lines, install booster pumps, erect booster pump stations and water holding tanks, install cut-off valves, install meters and meter boxes, and upgrade its plant.

COMMISSION ORDER ON EXCEPTIONS

On September 14, 2007, the Town of Pineville, acting through the Pineville Municipal Water Works ("Town"), pursuant to West Virginia Code § 24-2-11, filed an application for a certificate of convenience and necessity with the Public Service Commission ("Commission") to construct a new water system for the Ramey, Glover and Wyoming communities in Wyoming County. Generally, the project will entail the installation of water lines, booster pumps, cut-off valves, meters and meter boxes; the erection of booster pump stations and a water holding tank; and the upgrade of the Town's water works plant ("Project"). A full and accurate description of the procedural background of this case is set forth in the Administrative Law Judge's Recommended Decision of January 2, 2008 ("Recommended Decision") and is incorporated in this Order by this reference. A copy of the Recommended Decision can be viewed on the Commission's website at: www.psc.state.wv.us/scripts/WebDocket/ViewDocument.cfm?CaseActivityID=230525.

The Recommended Decision granted a certificate to the Town to construct the Project to serve various areas of Wyoming County, including the territory served by the Wyoming-Glover Public Service District ("District"). The water utility assets of the District are currently operated by the Town under a receivership approved by the Circuit Court of Wyoming County.

Among other provisions of the Recommended Decision, the ALJ (i) denied the Town's request to dissolve the District and (ii) indicated that the Town must continue to charge the District's rates to the District's customers until the receivership is resolved or the project is completed, whichever occurs later.

On January 11, 2008, the Town filed a letter with the Commission that contained certain objections to the Recommended Decision. These objections are being treated by the Commission as Exceptions to the Recommended Decision ("Exceptions"). The Town attached extensive materials to those Exceptions that addressed issues raised in the Recommended Decision relating to the required dissolution of the District and the continuing existence of a receivership of the District approved by the Circuit Court of Wyoming County.

Because the Commission is addressing the Exceptions raised by the Town, the Commission believes that several other matters addressed in the Recommended Decision should also be clarified or addressed in this Order.

A. The Final Step to Dissolve the Wyoming-Glover Public Service District Must be Completed.

As indicated in the Recommended Decision, on November 19, 2007, the Town filed a copy of an Order of the Wyoming County Commission ("County Commission"), dated October 27, 1992, that constituted the action taken by the County Commission to dissolve the District, as well as seven other public service districts. The Town also provided a copy of that County Commission Order and various other documentation in its Exceptions to support its contention that the District has been dissolved or should be dissolved by the Commission.

It is not necessary to laboriously recite, and burden the record with, a document-by-document review of the various attempts by the County Commission to dissolve the District. Suffice it to say that, based on a review of the Recommended Decision and the Exceptions and the attachments thereto, it appears there was a valid order of the County Commission entered on October 27, 1992, that addressed and approved a motion to dissolve the District pursuant to West Virginia Code § 16-13A-1b.

Unfortunately, these 1992 documents do not reflect that the County Commission completed the process by obtaining Commission approval of the dissolution. Under the provisions of West Virginia Code § 16-13A-2 "within ten days of the entry of an order . . . dissolving . . . a district, such order must be filed for review and approval by the Public Service Commission." The records of the Commission do not reflect that any such filing was made, and there is nothing in the documents submitted by the County Commission with its Exceptions to indicate that this procedure was followed or completed. In fact, on the contrary, the records of the Commission indicate that the dissolution of the District was not completed, as evidenced by the District's subsequent appearances on the Commission's docket, albeit under the receivership of the Town.¹

¹ Case No. 98-1500-PWD-W-GI (Recommended Decision, November 10, 1999; Final Order November 30, 1999) the Commission authorized Staff to petition the Wyoming County Circuit Court to place the District into receivership. Wyoming County Circuit Court Judge John S. Hrko, by order dated January 18, 1999, placed the District under the sole control and responsibility of the Town; Case No. 99-0092-PWD-SC (Annual Report filing); Case No. 00-0123-PWD-SC (Annual Report Filing); Case No. 01-0415-PWD-19A (Rate Increase); Case No. 02-1602-PWD-19A (Rate Increase); Case No. 03-0247-PWD-SC (Annual Report Filing); Case No. 04-0206-PWD-SC (Annual Report Filing); and Case No. 05-0163-PWD-SC (Annual Report Filing).

At this stage, the central issue is what additional steps, if any, remain to be taken to implement or finalize the dissolution of the District. The Commission believes that the County Commission has taken virtually all of the steps required under the statute, but unfortunately the matter was not filed with, or approved by, the Commission within ten days as required by the provisions of West Virginia Code § 16-13A-2.

In light of that, the Commission believes that the County Commission should, as quickly as possible, enter a further order ratifying, adopting and confirming the actions of the County Commission dissolving the District on October 27, 1992, and should forward that order of the County Commission to the Commission. The Commission will then take the remaining steps as expeditiously as possible required under the provisions of West Virginia Code § 16-13A-2 to determine whether to dissolve the District.

B. The District's Receivership in the Circuit Court of Wyoming Should be Dissolved.

On January 19, 2000, the Commission filed a Petition with the Circuit Court of Wyoming County ("Circuit Court") seeking to place the District and several other public and private water companies in Wyoming County into receivership under the provisions of West Virginia Code § 24-2-7(b). The Circuit Court granted that Petition by Order dated February 2, 2000, and the Town was designated as the receiver of the District's water utility assets.¹ The Recommended Decision expressed concerns that, because (i) the District had been placed in receivership but (ii) that receivership had never been dissolved, the transaction involving the Project could not move forward. The Recommended Decision is not clear about the meaning of "not move forward."

As discussed later in this Order, the water situation in the Town and the condition of the water utility assets serving the area formerly served by the District are critical; however, we do not view the Recommended Decision as placing an absolute prohibition on the Project moving forward in any way until the District and the receivership are dissolved.

We do agree that the current status of the District and the receivership needs to be clarified and resolved. In that regard, because (i) the Commission was the Petitioner that sought the receivership of the District and (ii) the Town was appointed the receiver for the District, we are, by this Order, formally authorizing and directing the Commission Staff to consult with the Town and to prepare and file with the Circuit Court of Wyoming County the appropriate pleadings on behalf of the Commission to dissolve that receivership and to transfer the utility assets of the District to the Town in order to enable the Town to complete the Project. The Town has been operating these facilities since the inception of the receivership, and the Project is designed, in major part, to replace or rehabilitate those facilities. Under the pertinent provisions of West Virginia Code § 24-2-7(b), the Circuit Court has the authority and jurisdiction to return the utility to the owners, transfer the utility

¹ Civil Action No. 00-C-11, Order of Circuit Court of Wyoming County dated February 2, 2000.

to other owners or allow the utility to be assumed by another utility or public service corporation. As evidenced by this order granting a certificate to construct the Project, the Commission determines that it serves the public interest for the Court to order a transfer of the District's assets to the Town.

On November 29, 2007, Staff filed the Final Joint Staff Memorandum, with an attached memorandum from the technical section. The engineering portion of the memorandum indicated that the Project will replace the District's old system, which is in a state of complete disrepair, and will provide potable water to 206 customers. In addition, the water utility assets held by the receiver that served those customers formerly served by the District will largely be replaced, and the customers of the District will be served from assets to be constructed as a part of the Project. Because of all this, the Commission believes that the Circuit Court should dissolve the receivership and, for the sake of clarity about the Project, transfer the customers and the physical assets of the District to the Town. That is the relief that the Staff should seek from the Circuit Court.

C. The Use of Pending Rates and the Right to Proceed with the Project.

In the filing, the Petitioners sought the right to change rates at the time that the Project was placed in service. In the Recommended Decision, the ALJ ruled correctly that, until the Town and the County Commission have approved the dissolution of the District, the Circuit Court has dissolved the receivership, and the Project is placed in service, the Town cannot begin to charge the higher requested rates. The Town apparently believed that the Recommended Decision prevented it from going forward in any way with the Project including proceeding with the bidding procedures. That is not the case.

The Recommended Decision approved the Project and contained the following statements and support for the Project:

The project is a necessity to the many customers who are subject to poor quality water and frequent water outages. The project will provide the necessary infrastructure for economic development in Wyoming County. It will also provide limited fire protection to some of the residents of the project area.

The project does not financially burden the existing and potential new customers of the Town. Furthermore, the project is the only viable option to extend water to the customers in need of water service and secure plant operation for the future. It is therefore a convenience to both parties as the project provides a safe, reliable source of drinking water and improves the value of the property in the project area with the addition of fire protection.

The proposed project is in conformance with the Public Service Commission rules and regulations.

Recommended Decision at 3.

* * * *

1. It is appropriate to grant the application, pursuant to West Virginia Code § 24-2-11, and to approve the project and its funding, because the public convenience and necessity require the project and no protest was filed.

Recommended Decision at 6.

* * * *

IT IS FURTHER ORDERED that the application filed September 14, 2007, by Pineville Municipal Water Works for a certificate of convenience and necessity to construct a new water system for the Ramey, Glover and Wyoming communities in Wyoming County is granted and the project approved.

Recommended Decision at 7.

There is nothing in the Recommended Decision that disapproves the Project or for that matter prevents the Town from issuing bid requests. The only proviso at this stage about the rates is that the rates may not be implemented as to the District customers until the steps discussed above regarding the dissolution of the District and the receivership have been accomplished. Those steps can easily be completed in the timeline discussed above and before the contract documents are executed and the Project is commenced. The Staff and the Town are urged to cooperate and complete those steps as quickly as possible so that the Project construction can begin and rates can be implemented at the time the Project is completed. The Commission will expedite any action necessary on its part.

D. Modification of the Engineering Staff Proposals.

In light of the fact that the Commission has elected to review and clarify the ALJ Recommended Decision, the Commission will also address certain Engineering Recommendations that were made as a part of the processing of this proceeding. As indicated in the Recommended Decision, on November 29, 2007, the Staff submitted its Final Joint Staff Memorandum, with an attached memorandum from the Engineering Section. That Engineering memorandum contained a recital of certain concerns of the Commission's Engineering Section about the status of the existing system, the customer density, plant capacity during construction, the amount of the lost and unaccounted for water in the existing system, and the cost of construction, particularly in light of recent cost overruns in other projects. These concerns led to an Engineering Staff recommendation that the Town be required to file for Staff review, prior to the final bid.

1. A filing describing the Town's plan to reduce leakage to the extent required to comply with PSC rules and regulations.
2. A preliminary written demolition plan for the water plant which can be reviewed by each contractor prior to bid. The plan should include the

- requirements of the plant operating personnel and include drawings defining critical interferences.
3. A notification document for all new customers describing the service line and internal problem issues which exist and which should be addressed by the new customers prior to connection to the new system.
 4. A clearly established policy under the West Virginia Bureau for Public Health requirement for an active backflow and cross connection program to deal with the threat from existing wells to the safety of the new system.
 5. A plan for the installation of isolation valves and leak detection meters to be utilized at all new stream crossings for future unaccounted for water investigations.
 6. A proposal and time line for the installation of a fully operational SCADA system in a future project to allow plant personnel to quickly react to developing problems in the entire Town's system.
 7. The Town's emergency plan to deal with the potential loss of all water plant production during the plant reconstruction.

While the Commission agrees that in a perfect world and with the availability of unlimited capital, these recommendations would be worthwhile, the Commission is seriously concerned, given the tight timelines for the Project, that the Recommended Decision actually required filings on these matters as a condition of accepting bids:

IT IS FURTHER ORDERED that Pineville Municipal Water Works provide to Commission Staff the filings stated in Finding of Fact 11 (*sic, presumably Finding of Fact 10*), prior to accepting final bids on the project.

This is a critical public health project, and the water system serving the area is in desperate condition. While many of the Engineering Recommendations are commendable and should be considered by the Town, we agree with the Staff Attorney in this case who indicated that in his opinion the reporting recommended by Engineering would constitute micro-management of a utility repudiated by the Supreme Court of Appeals of West Virginia in Lumberport-Shinnston Gas. Co. v. Pub. Serv. Comm'n, 165 W.Va. 762, 271 S.E.2d 438 (1980), and by the Commission in Citizens Telecommunications Co. of W.Va., Case No. 06-0092-T-C (2007), and Putnam County P.S.D., Case No. 06-0743-PSD-CN (2007). Legal Staff recommended that the Engineering recommendations be included in the decision, but not be the subject of any order. Although the Town did not object to or protest those recommendations, the Town is under tremendous pressure to get the Project underway. The Town may not have opposed any of these items because of concerns for Project delay that might result from objecting to these engineering recommendations. We agree with the Legal Staff position in this particular case and will strike the requirements of the Recommended Decision that ordered that these filings be made as a condition of, or prior to accepting final bids, for the Project.

The Town should note that these matters are a concern to Staff and might be the subject of later inquiry in proceedings by the Town.

ORDER

IT IS, THEREFORE, ORDERED that the January 2, 2008 Recommended Decision is hereby approved as clarified and modified herein, including the following:

1. Commission Staff shall consult with the Town and prepare and file the appropriate pleadings with the Circuit Court of Wyoming County to dissolve the receivership and transfer the utility assets of the District to the Town to enable the Town to complete the Project.
2. Although the order issued by the County Commission was a lawful order, it was not submitted to the Public Service Commission for approval. Therefore, Staff shall ensure that an order ratifying, adopting and confirming the previous County Commission Order is submitted to the County Commission for entry. Within ten days of entry, the County Commission Order must be filed with the Public Service Commission for approval.
3. The Staff engineering recommendations are removed as a condition of accepting bids.

IT IS FURTHER ORDERED that upon entry of this Order this case shall be removed from the Commission's docket of open cases.

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
Executive Secretary

MAA/klm
071790ca.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: January 3, 2008

EXCEPTIONS
FILED

CASE NO. 07-1790-W-CN

PINEVILLE MUNICIPAL WATER WORKS

Application for a certificate of convenience and necessity to construct water lines, install booster pumps, erect booster pump stations and water holding tanks, install cut-off valves, install meters and meter boxes, and upgrade its plant.

RECOMMENDED DECISION

On September 14, 2007, Pineville Municipal Water Works ("Town"), by counsel Charles B. Mullins, II, filed with the Public Service Commission ("Commission"), pursuant to W.Va. Code §24-2-11, an application for a certificate of convenience and necessity to construct a new water system for the Ramey, Glover and Wyoming communities in Wyoming County. The project will entail the installation of water lines, booster pumps, cut-off valves, meters and meter boxes; the erection of booster pump stations and a water holding tank; and the upgrade of the Town's water works plant. The Town, as receiver of the Wyoming-Glover Public Service District ("District"), also requested Commission approval for the dissolution of the District. Supporting documentation was filed.

On September 17, 2007, the Commission directed the Town to publish an Amended Notice of Filing, which provided that, if no protest was filed within thirty days after the date of publication, the Commission might waive formal hearing and grant the application based upon its review of the evidence submitted with the application.

On September 24, 2007, the Town filed the permit for the project, No. 17,696, issued on September 14, 2007, by the State of West Virginia Office of Environmental Health Services.

On September 26, 2007, by Order, the Commission referred this matter to the Division of Administrative Law Judges for decision no later than April 14, 2008, if a timely protest was received, and no later than January 30, 2008, if no such protest was filed.

On October 4, 2007, Staff Attorney C. Terry Owen filed an Initial Joint Staff Memorandum, with an attached memorandum from James C. Weimer, of the Engineering Division, and Michael Quinlan, of the Water and Wastewater Division, synthesizing the application.

On November 5, 2007, the Town filed an affidavit of publication establishing that the Amended Notice of Filing had been published on October 3, 2007, in the Independent Herald, published in Wyoming County.

On November 13, 2007, the undersigned issued a Procedural Order stating that no protest had been filed and that, therefore, the decision due date in this matter was January 30, 2008. Staff was ordered to file its final memorandum no later than December 17, 2007.

On November 19, 2007, the Town filed a copy of an Order of the Wyoming County Commission, dated October 27, 1992, to dissolve the District, as well as seven other public service districts.

On November 29, 2007, Mr. Owen filed the Final Joint Staff Memorandum, with an attached memorandum from Mr. Weimer and Mr. Quinlan. The engineering part of the memorandum included the following: The project will replace the District's old system, which is in a state of complete disrepair, and will provide potable water to 206 customers; the Town presently provides water to fifty-four of those customers as receiver for the District. The total estimated project cost is \$4,418,900; the estimated total construction cost is \$3,579,000. The cost for engineering and inspection services, the cost per customer, and the customer density are all very acceptable. Staff is concerned that the estimated construction costs might be low; many recent projects have been significantly over budget. Staff is also concerned that, during deconstruction of the plant, the plant capacity will become dangerously low. There capacity problem is due to the Town's unaccounted-for-water ("UAW") rate's being 70%. In fact, if the Town could reduce its UAW rate to 20%, the Town would not even need the new tank, although Staff believes the tank is needed for purposes of maintaining the present tank. Other concerns were expressed, resulting in Mr. Weimer's recommending that the Town be required to file for Staff review, prior to the final bid, the following:

1. A filing describing Pineville's plan to reduce leakage to the extent required to comply with PSC rules and regulations.
2. A preliminary written demolition plan for the water plant which can be reviewed by each contractor prior to bid. The plan should include the requirements of the plant operating personnel and include drawings defining critical interferences.
3. A notification document for all new customers describing the service line and internal problem issues which exist and which should be addressed by the new customers prior to connection to the new system.
4. A clearly established policy under the West Virginia Bureau for Public Health requirement for an active backflow and cross connection program to deal with the threat from existing wells to the safety of the new system.
5. A plan for the installation of isolation valves and leak detection meters to be utilized at all new stream crossings for future unaccounted for water investigations.

6. A proposal and time line for the installation of a fully operational SCADA system in a future project to allow plant personnel to quickly react to developing problems in the entire Pineville system.
7. Pineville's emergency plan to deal with the potential loss of all water plant production during the plant reconstruction.

Mr. Weimer noted that a mining company is building an extension that will add nearly 150 new customers for the Town, at no cost to the Town. Mr. Weimer concluded,

The project is a necessity to the many customers who are subject to poor quality water and frequent water outages. The project will provide the necessary infrastructure for economic development in Wyoming County. It will also provide limited fire protection to some of the residents of the project area.

The project does not financially burden the existing and potential new customers of the Town. Furthermore, the project is the only viable option to extend water to the customers in need of water service and secure plant operation for the future. It is therefore a convenience to both parties as the project provides a safe, reliable source of drinking water and improves the value of the property in the project area with the addition of fire protection.

The proposed project is in conformance with the Public Service Commission rules and regulations.

The financial part of the Staff memorandum included the following: The project has been approved by the West Virginia Infrastructure and Jobs Development Council. It will be funded by a \$1,400,000 Small Cities Block Grant, a \$1,660,400 United States Department of Agriculture Rural Utility Service ("RUS") grant, and a \$1,358,500 RUS loan, payable over forty years at an annual interest rate of 4.375%; binding letters of commitment have been filed. Presently the Town, as receiver for the District, bills the District's customers an unmetered rate of \$38.15 per month (effective since 2003); after completion of the project, it will charge them the Town's present rates, which will not need to be increased. The Town will not need to raise its rates; the Town will have a cash flow surplus of \$66,838 and debt coverage of 155%. Technical Staff recommended that the project and its funding be approved. Technical Staff also recommended that "the Town petition the Circuit Court of Wyoming County to dissolve its receivership of Wyoming-Glover Public Service District upon completion of this project." Mr. Owen did not agree with Mr. Weimer that the project should be monitored by Staff, opining that the reporting recommended by Mr. Weimer would constitute micro-management of a utility repudiated by the Supreme Court of Appeals of West Virginia in Lumberport-Shinnston Gas. Co. v. Pub. Serv. Comm'n, 165 W.Va. 762, 271 S.E.2d 438 (1980), and by the Commission in Citizens Telecommunications Co. of W.Va., Case No. 06-0092-T-C (2007), and Putnam County P.S.D., Case No. 06-0743-PSD-CN (2007). Mr. Owen recommended that Mr. Weimer's suggestions be included in the decision, but not be the subject of any order.

On November 30, 2007, the Town, by its Mayor, Tim Ellison, filed a letter pointing out that no protest had been filed and that there was no dispute between the Town and Staff. The Town requested that the Recommended Decision be expedited, so bidding could begin.

On December 14, 2007, the undersigned issued a Procedural Order that included the following discussion:

A.

Regarding whether monitoring of the project is appropriate, two competing recommendations from Commission Staff have been presented; Legal Staff's disagreement with Engineering Staff does not nullify Engineering Staff's recommendation. Legal Staff has opined that the monitoring by Engineering Staff recommended by Engineering Staff is micro-managing of a public utility prohibited by decisions of the Supreme Court of Appeals of West Virginia and the Commission. However, the undersigned finds no support in the cases cited by Legal Staff for Legal Staff's position. It is accepted that the Commission cannot micro-manage the business aspects of a utility, but the undersigned knows of no prohibition against Engineering Staff's monitoring the engineering aspects of a project to assure that the utility's customers continue to receive service. Certainly there is nothing odd or inappropriate about requiring a utility to file a plan for reducing leakage to comply with Commission requirements, and the Commission rightfully should be concerned about a possibility that, during the demolition part of the project to upgrade the treatment plant, customers will lose service.

The undersigned will not fully analyze the various recommendations by Engineering Staff at this time. Rather, she will provide the Town the opportunity to object to the individual recommendations. Upon receipt of any such objections, an immediate hearing will be scheduled.

B.

The undersigned has another concern. The Town, as receiver for the District, has requested Commission approval of the District's dissolution, but, under W.Va. Code §16-13A-2, the County Commission must request such dissolution and demonstrate to the Commission that it followed the requirements of Code §16-13A-2 in entering its own order of dissolution. The mere 1992 order, without more, is insufficient. The County Commission will be provided a copy of this order and is urged to fulfill the requirements of Code §16-13A-2, including filing a separate case thereon with the Commission. The Town's request for dissolution of the District in this case will be denied.

Moreover, the Town is advised that, until the County Commission has fulfilled those requirements; the Commission has approved the dissolution; and the Circuit Court has dissolved the receivership of the District, it may not begin to charge the customers of the District its own rates; it must continue to charge them \$38.15 per

month. Accordingly, only if the District and the receivership are dissolved prior to completion of the project may the Town start charging those customers its own rates at the time of completion of the project.

It was ordered that the Town file any objection, as discussed, no later than December 24, 2007.

FINDINGS OF FACT

1. On September 14, 2007, Pineville Municipal Water Works filed with the Public Service Commission an application for a certificate of convenience and necessity to construct a new water system for the Ramey, Glover and Wyoming communities in Wyoming County. The project will entail the installation of water lines, booster pumps, cut-off valves, meters and meter boxes; the erection of booster pump stations and a water holding tank; and the upgrade of the Town's water works plant. The Town, as receiver of the Wyoming-Glover Public Service District, also requested Commission approval for the dissolution of the District. Supporting documentation was filed. (See filings).
2. The Town published an Amended Notice of Filing on October 3, 2007, in the Independent Herald, published in Wyoming County, and no protest was filed. (See November 5, 2007, filing; case file generally).
3. The project has been approved by the West Virginia Infrastructure and Jobs Development Council. (See application; Final Joint Staff Memorandum filed November 29, 2007).
4. The project will replace the old system of the District, which is in a complete state of disrepair. It is needed to provide reliable potable water to 206 customers. (See application; Final Joint Staff Memorandum).
5. The State of West Virginia Office of Environmental Health Services issued a permit for the project, Permit No. 17,696, on September 14, 2007. (See September 24, 2007, filing; Final Joint Staff Memorandum).
6. The estimated project cost is \$4,418,900. The estimated total construction cost is \$3,579,000. (See application; Final Joint Staff Memorandum).
7. The project will be funded by a \$1,400,000 Small Cities Block Grant, a \$1,660,400 RUS grant, and a \$1,358,500 RUS loan, payable over forty years at an annual interest rate of 4.375%. (See application; Final Joint Staff Memorandum).
8. No rate increase in the Town's rates will be necessary. After construction, its cash flow surplus will be \$66,838 and it will have a debt service coverage of 155%. (See Final Joint Staff Memorandum).

9. As receiver of the District, the Town presently charges the District's customers an unmetered rate of \$38.15 per month. Upon completion of the project, the Town plans to charge its present customers and the District's present customers according to the Town's tariff. (See Final Joint Staff Memorandum).

10. Engineering Staff recommended that Staff monitor the project by requiring that the Town file the following, prior to the final bid:

- (a) A filing describing Pineville's plan to reduce leakage to the extent required to comply with PSC rules and regulations;
- (b) A preliminary written demolition plan for the water plant which can be reviewed by each contractor prior to bid. The plan should include the requirements of the plant operating personnel and include drawings defining critical interferences;
- (c) A notification document for all new customers describing the service line and internal problem issues which exist and which should be addressed by the new customers prior to connection to the new system;
- (d) A clearly established policy under the West Virginia Bureau for Public Health requirement for an active backflow and cross connection program to deal with the threat from existing wells to the safety of the new system;
- (e) A plan for the installation of isolation valves and leak detection meters to be utilized at all new stream crossings for future unaccounted for water investigations;
- (f) A proposal and time line for the installation of a fully operational SCADA system in a future project to allow plant personnel to quickly react to developing problems in the entire Pineville system; and
- (g) Pineville's emergency plan to deal with the potential loss of all water plant production during the plant reconstruction.

12. The Town was provided the opportunity to object to the recommended filings stated in Finding of Fact 11 and no objection was filed. (See December 14, 2007, Procedural Order; case file generally).

13. Staff recommended that the application be granted, the certificate of convenience and necessity be issued, and the project and its funding be approved. (See Final Joint Staff Memorandum).

14. Staff also recommended that the Town petition the Circuit Court of Wyoming County to dissolve its receivership of Wyoming-Glover Public Service District upon completion of this project. (See Final Joint Staff Memorandum).

CONCLUSIONS OF LAW

1. It is appropriate to grant the application, pursuant to W.Va. Code §24-2-11, and to approve the project and its funding, because the public convenience and necessity require the project and no protest was filed.

2. It is appropriate to order the Town to submit to Commission Staff the filings stated at Finding of Fact 11 prior to its accepting final bids on the project.

3. The Town, as receiver of the District, must continue to charge the customers of the District the tariff rate(s) of the District until the County Commission has fulfilled the requirements of W.Va. Code §16-13A-2 for dissolving the District; the Commission has approved the dissolution; and the Circuit Court has dissolved the receivership of the District. Accordingly, only if the District and the receivership are dissolved prior to completion of the project may the Town start charging the present customers of the District the Town's rates at the time of completion of the project.

ORDER

IT IS, THEREFORE, ORDERED the request by Pineville Municipal Water Works for approval of dissolution of the Wyoming-Glover Public Service District is denied.

IT IS FURTHER ORDERED that Pineville Municipal Water Works provide to Commission Staff the filings stated in Finding of Fact 11, prior to accepting final bids on the project.

IT IS FURTHER ORDERED that the application filed September 14, 2007, by Pineville Municipal Water Works for a certificate of convenience and necessity to construct a new water system for the Ramey, Glover and Wyoming communities in Wyoming County is granted and the project approved.

IT IS FURTHER ORDERED that the funding for the project, consisting of a \$1,400,000 Small Cities Block Grant, a \$1,660,400 RUS grant, and a \$1,358,500 RUS loan, is approved.

IT IS FURTHER ORDERED that Pineville Municipal Water Works continue to charge the customers of the Wyoming-Glover Public Service District the tariff rate(s) of the District until the District and the receivership for the District are resolved or until the project is completed, whichever occurs later.

IT IS FURTHER ORDERED that, if there is any change in the cost of the project, estimated at \$4,418,900, which would affect rates, or in the scope, design or funding of the project, Pineville Municipal Water Works file a petition with the Commission for approval of such revisions.

IT IS FURTHER ORDERED that Pineville Municipal Water Works comply with all rules and regulations of the Division of Highways regarding the use of rights-of-way.

IT IS FURTHER ORDERED that Pineville Municipal Water Works submit a copy of the bids to the Commission, making the bids a part of the Commission's file in this case, as soon as the bids are tabulated.

IT IS FURTHER ORDERED that Pineville Municipal Water Works notify the Commission when its engineer has performed the substantial completion inspection.

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

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this order upon the Commission by hand delivery, and 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 within fifteen (15) days of the date this order is mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served said exceptions.

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

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



Sunya Anderson
Administrative Law Judge

SA:s
071790ab.wpd

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

I, Gaither Perry, Publisher of Independent Herald, a paper published in the County aforesaid, do affirm that the

Notice hereto attached was published in said paper for 1 successive weeks, the first publication thereof being on 3rd day of OCTOBER 2007 and the subsequent publication on the 17th day of OCTOBER 2007, the 17th day of OCTOBER 2007, and the 17th day of OCTOBER 2007.

[Signature]

State of West Virginia, Wyoming, to-wit: being duly sworn, says that he posted a copy of the annexed at the front door of the Court House of said County, on the 17th day of OCTOBER 2007.

Taken, subscribed and sworn to before me, this 17th day of OCTOBER 2007. Printer's fee \$ 16.05

[Signature]
Notary Public

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON

Entered by the Public Service Commission of West Virginia, in the City of Charleston, on the 19th day of September, 2007. Case No. 07-1790-W-CN Pineville Municipal Water Works Application for a certificate of convenience and necessity to construct water lines, install booster pumps, erect booster pump station, erect water holding tank, install cut off valves, install meter boxes, and install meters and upgrade Pineville Municipal Water Works Plant.

MY COMMISSION EXPIRES ON [DATE] OFFICIAL SEAL STATE OF WEST VIRGINIA NOTARY PUBLIC Lisa R. Gaither Williams, WV 25759 PO Box 1020

AMENDED NOTICE OF FILING

Whereas, on September 17, 2007, Pineville Municipal Water Works filed an application, duly verified, for a certificate to construct certain additions and improvements to the Pineville Municipal Water Works system in Wyoming County. The application is on file and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

Whereas, the Pineville Municipal Water Works estimates that construction will cost approximately \$4,478,900.00. It is proposed that the construction will be financed as follows: Rural Development loan in the amount of \$1,358,500; \$1,860,400.00 grant; and \$1,400,000.00 Governmental office.

Whereas, the utility anticipates charging its current water rates to its customers. There will be no rate increase connected with this project.

Minimum Monthly Bill: 3000 gallons of water \$33.00 per month. Delayed Payment Penalty: The above tariff is net. On all accounts not paid in full within twenty (20) days of date of bill, ten percent (10%) will be added to net amount shown. If any bill is not paid within thirty-two (32) days after date service to the customer will be disconnected. Service will not be restored until all past due bills have been paid in full and all accrued penalties plus a reconnection charge have been paid.

Connection Charge: Prior to construction - \$100.00. After construction passes the premises to be served, charge for connection to system - \$350.00.

Pineville Municipal Water Works does not have any resale customers. The requested rates and charges are only a proposal and are subject to change (increase or decrease) by the Public Service Commission in its review of this filing.

Pursuant to 37-2-2-11, West Virginia Code, IT IS ORDERED that the Pineville Municipal Water Works give notice of the filing of said application, by publishing a copy of this order once in a news-

paper duly qualified by the Secretary of State, published and of general circulation in Wyoming County, making due return to this Commission of proper certification of publication immediately after publication. Anyone desiring to protest or intervene should file a written protest or notice of intervention within 30 days following the date of this publication unless otherwise modified by Commission order. Failure to timely protest or intervene can affect your right to protest aspects of this certificate case, including any associated rate increases, or to participate in future proceedings. All protests or requests to intervene should briefly state the reason for the protest or

intervention. Requests to intervene must comply with the Commission's rules on intervention set forth in the Commission's Rules of Practice and Procedure. All protests and interventions should be addressed to:

Sandra Squire
Executive Secretary
PO Box 812
Charleston, WV 25323

IT IS FURTHER ORDERED that if not protests are received within said 30-day period, the Commission may waive formal hearing and grant the application based on the evidence submitted with said application and its review thereof.

FOR THE COMMISSION:
Sandra Squire, Executive Secretary
10:3

LOAN RESOLUTION
(Public Bodies)

A RESOLUTION OF THE Town Council
OF THE Pineville, Town of
AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING
PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS
Phase 2

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO

WHEREAS, it is necessary for the Pineville, Town of
(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

ONE MILLION THREE HUNDRED FIFTY-EIGHT THOUSAND FIVE HUNDRED AND XX / 100 DOLLARS
(\$1,358,500.00)

pursuant to the provisions of Chapter 8 Article 19, West Virginia Code; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legally permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

- 11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
- 12. To establish and maintain such books and records relating to the operation of the facility, and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
- 13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
- 14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities, and replacement of short lived assets.
- 15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
- 16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
- 17. To accept a grant in an amount not to exceed \$ 1,660,400.00

under the terms offered by the Government; that Mayor

and Recorder of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

Yeas 4 Nays 0 Absent 0

IN WITNESS WHEREOF, the Town Council of the

Pineville, Town of has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this 12th day of April, 2004

Pineville, Town of

(SEAL)

By Tim Ellison
Tim Ellison

Title Mayor

Attest:
Kathleen Bolt
KATHLEEN BOLT,

Title Recorder

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as Recorder of the Pineville, Town of

hereby certify that the Town Council of such Association is composed of

4 members, of whom 3 constituting a quorum, were present at a meeting thereof duly called and

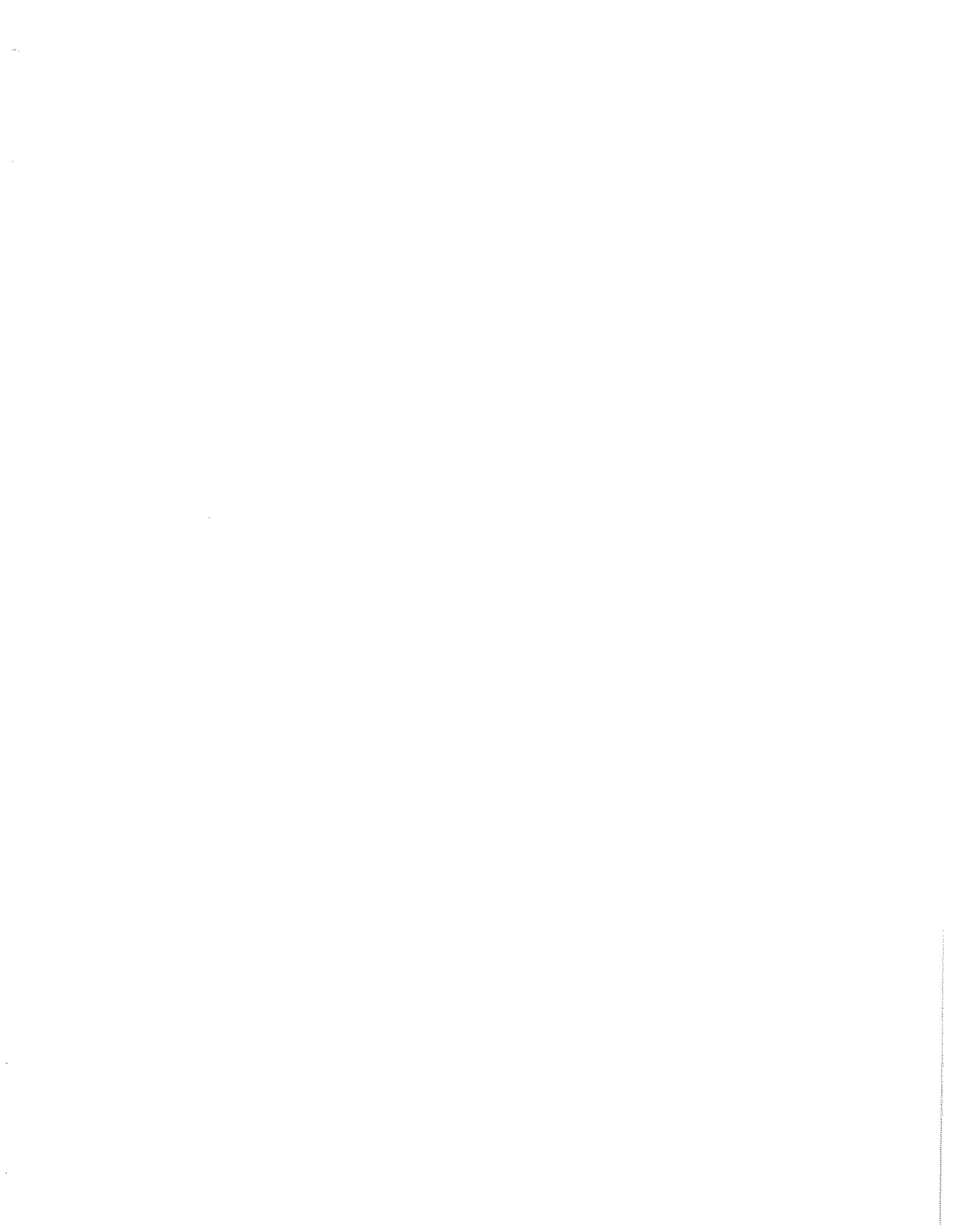
held on the 12th day of April, 2004; and that the foregoing resolution was adopted at such meeting

by the vote shown above, I further certify that as of September 15, 2008 the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been rescinded or amended in any way.

Dated, this 15th day of September, 2008


Sid Bradford

Title Recorder



TOWN OF PINEVILLE

Water Revenue Bonds, Series 2008 A
(United States Department of Agriculture)

RECEIPT FOR BOND

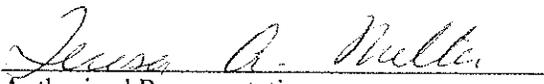
The undersigned, authorized representative of the United States Department of Agriculture, Rural Utilities Service, for and on behalf of the United States of America (the "Purchaser"), hereby certifies as follows:

1. On the 15th day of September, 2008, at Pineville, West Virginia, the undersigned received for the Purchaser the single, fully registered Town of Pineville Water Revenue Bonds, Series 2008 A (United States Department of Agriculture), No. AR-1 (the "Bond"), in the principal amount of \$1,358,500, dated as of the date hereof, bearing interest at the rate of 4.375% per annum, and payable in monthly installments as stated in the Bond. The Bond represents the entire above-captioned Bond issue.

2. At the time of such receipt, the Bond had been executed and sealed by the designated officials of the Town of Pineville (the "Issuer").

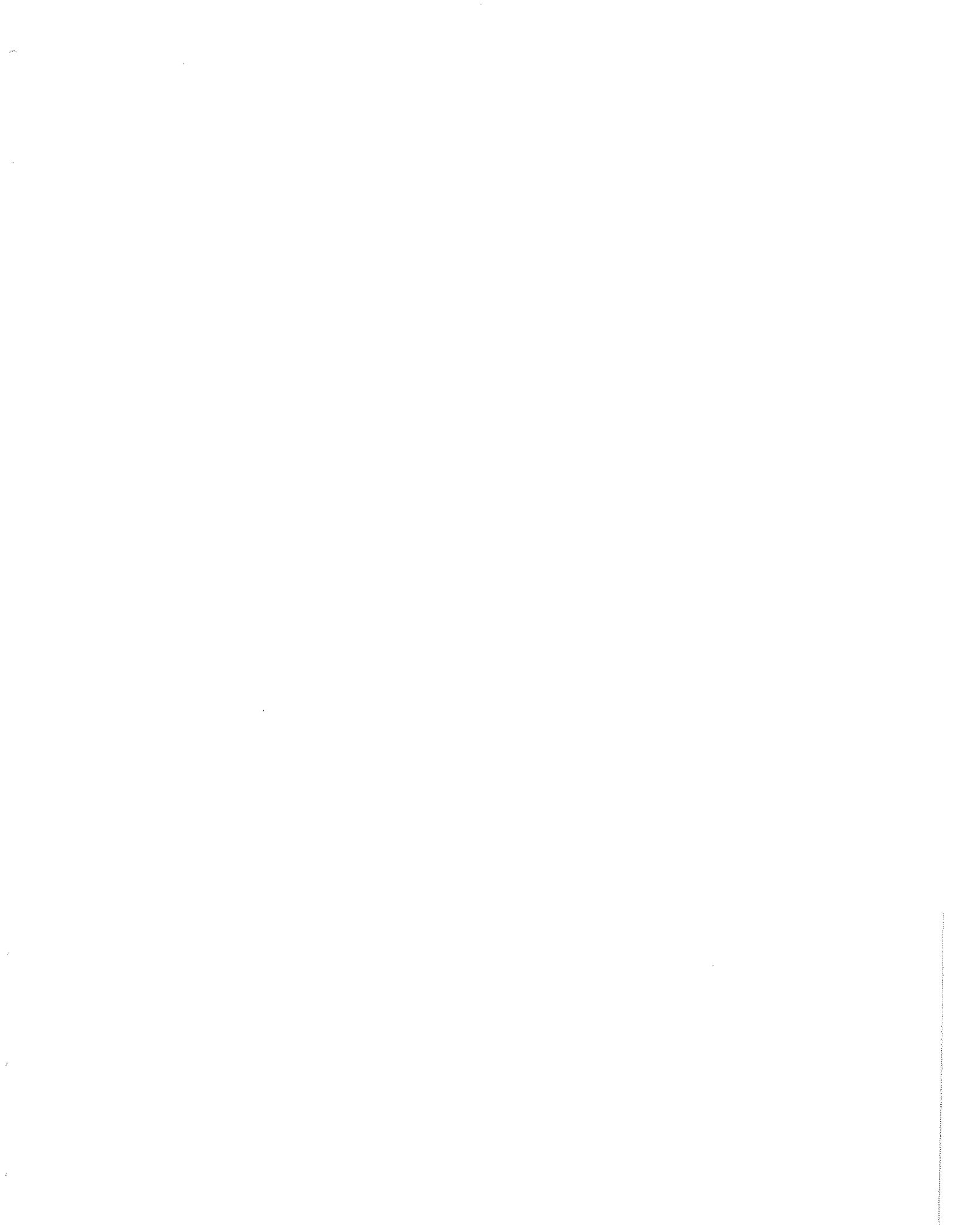
3. At the time of such receipt, there was paid to the Issuer the sum of \$236,639.24, being a portion of the principal amount of the Bond. The balance of the principal amount of the Bond will be paid to the Issuer as acquisition and construction of the Project progresses.

WITNESS my signature on this 15th day of September, 2008.



Authorized Representative

09.08.08
704440.00001



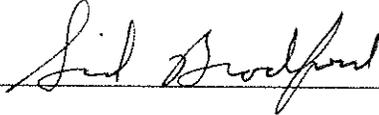
TOWN OF PINEVILLE

WATER REVENUE BONDS, SERIES 2008 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$1,358,500

REGISTRATION BOOKS

(No writing on these Books except by the Issuer as Registrar)

Bond No.	Date of Registration	In Whose Name Registered	Signature of Secretary of Registrar
AR-1	September 15, 2008	United States Department of Agriculture	

08.26.08
704440.00001

CH4974037.1



SPECIMEN

TOWN OF PINEVILLE

WATER REVENUE BONDS, SERIES 2008 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$1,358,500

No. AR-1

Date: September 15, 2008

FOR VALUE RECEIVED, the TOWN OF PINEVILLE (herein called "Borrower") promises to pay to the order of the United States of America (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 ONE MILLION THREE HUNDRED FIFTY EIGHT THOUSAND FIVE HUNDRED DOLLARS (\$1,358,500), plus interest on the unpaid principal balance at the rate of 4.375% 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 this Bond and continuing on the corresponding day of each month for the first twenty-four months after the date hereof, and \$6,127, 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 herein below. 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 Government 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, betterments and improvements to the waterworks system (the "System") of Borrower, is payable solely from and secured by the revenues to be derived from the operation 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 the office of 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 8, Article 19 of the West Virginia Code of 1931, as amended (herein called the "Act"), and an Ordinance of Borrower duly enacted on August 18, 2008 and Supplemental Resolution duly adopted by the Issuer on September 11, 2008, authorizing issuance of this Bond (collectively, 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 Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE ISSUER'S WATER REVENUE BOND, SERIES 1979 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE 14, 1979, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,718,000.

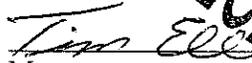
In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land as the conversion of wetlands to produce an agricultural commodity.

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IN WITNESS WHEREOF, the TOWN OF PINEVILLE 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 Recorder, all as of the date hereinabove written.

[CORPORATE SEAL]

TOWN OF PINEVILLE



Mayor
P.O. Box 220
Pineville, West Virginia 24874

ATTEST:



Recorder

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$236,639.24	September 15, 2008	(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 \$ _____

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to _____
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 Borrower with
full power of substitution in the premises.

Dated: _____, 20____.

In presence of:



September 15, 2008

Town of Pineville
Water Revenue Bonds, Series 2008 A
(United States Department of Agriculture)

Town of Pineville
Pineville, West Virginia

United States Department of Agriculture
Beckley, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the Town of Pineville, in Wyoming County, West Virginia (the "Issuer"), of its \$1,358,500 Water Revenue Bonds, Series 2008 A, dated the date hereof (the "Bond"), pursuant to Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (the "Act"), and a bond ordinance of the Issuer duly enacted on August 18, 2008 (the "Bond Legislation"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the representations of the Issuer contained in the Bond Legislation and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Issuer is duly created and validly existing as a municipal corporation and political subdivision of the State of West Virginia with full power and authority to adopt and enact the Bond Legislation, perform the agreements on its part contained therein and issue and sell the Bond, pursuant to the provisions of the Act and other applicable provisions of law.
2. The Bond Legislation has been duly adopted and enacted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.
3. Pursuant to the Act, the Bond Legislation creates a valid lien on the funds pledged by the Bond Legislation for the security of the Bonds on a parity with the Issuer's Water Revenue Bonds, Series 1979 (United States Department of Agriculture) dated June 14, 1979, issued in the original aggregate principal amount of \$1,718,000 (the "Series 1979 Bonds" or the "Prior Bonds").

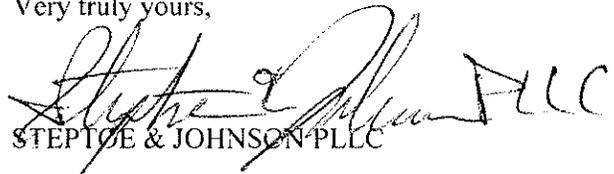
4. The Bond has been duly authorized, executed and delivered by the Issuer and is a valid and binding special obligation of the Issuer, payable solely from the sources provided therefor in the Bond Legislation.

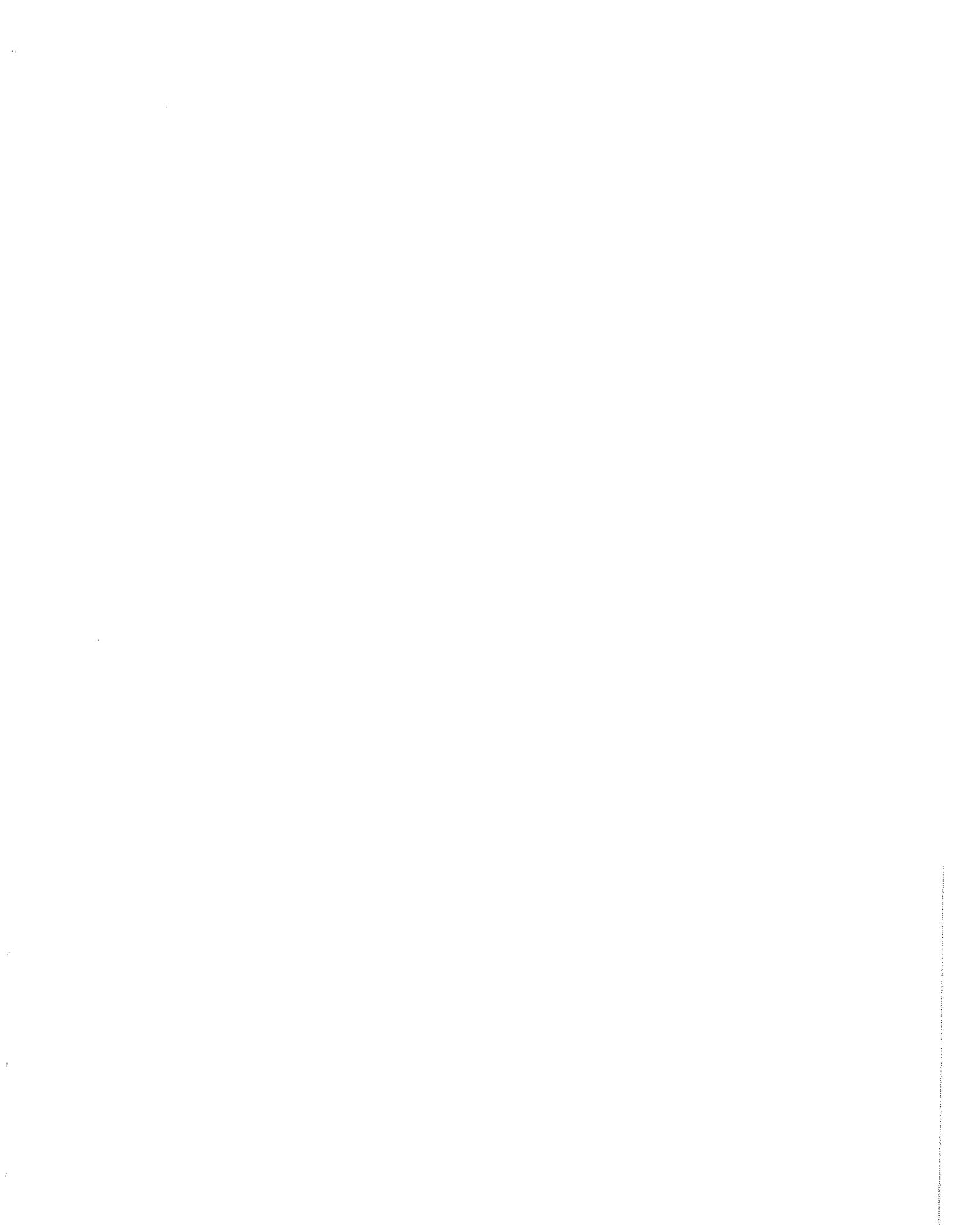
5. The Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from the gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Bonds.

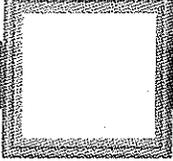
6. The Bond is, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality or county commission, political subdivision or agency thereof, and interest on the Bond is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

It is to be understood that the rights of the holder of the Bond and the enforceability of the Bond, the Bond Legislation and the liens and pledges set forth therein may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that the enforcement thereof may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,


STEPH & JOHNSON PLLC





MULLINS LAW OFFICE

September 15, 2008

Town of Pineville
P. O. Box 200
Pineville, WV 24874

USDA RUS
481 Ragland Road
Beckley, WV 25801

Steptoe and Johnson
Attorneys at Law
P. O. Box 1588
Charleston, WV 25326

Re: Opinion of Counsel to Issuer
Town of Pineville
Water Revenue Bonds, Series 2008 A
(United States Department of Agriculture)

Ladies and Gentlemen:

I am counsel to the Town of Pineville, a municipal corporation and political subdivision of the State of West Virginia in Wyoming County of said State (the "Issuer"). As such counsel, I have examined a copy of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a bond ordinance of the Issuer duly enacted on August 18, 2008 (the "Bond Legislation"), and other documents and papers relating to the Issuer and the above-captioned Bond of the Issuer (the "Bond"). Terms used in the Bond Legislation and not otherwise defined herein shall have the same meanings as in the Bond Legislation when used here.

I am of the opinion that:

1. The Issuer is duly created and validly existing as a municipal corporation and a political subdivision of the State of West Virginia.

2. The Mayor, Recorder and members of the Council of the Issuer have been duly, lawfully and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.

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

490 Appalachian Highway

P. O. Box 490

Pineville, WV 24874-0490

Phone (304)732-9334

Cell (304)923-2644

Fax (304)732-7905

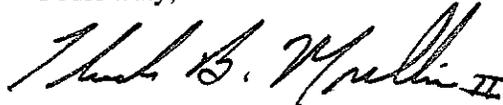
cmullins@southernwvlaw.com

4. The execution and delivery of the Bond and the consummation of the transactions contemplated by the Bond 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 agreement, document or instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, rule, order or decree to which the Issuer is subject.

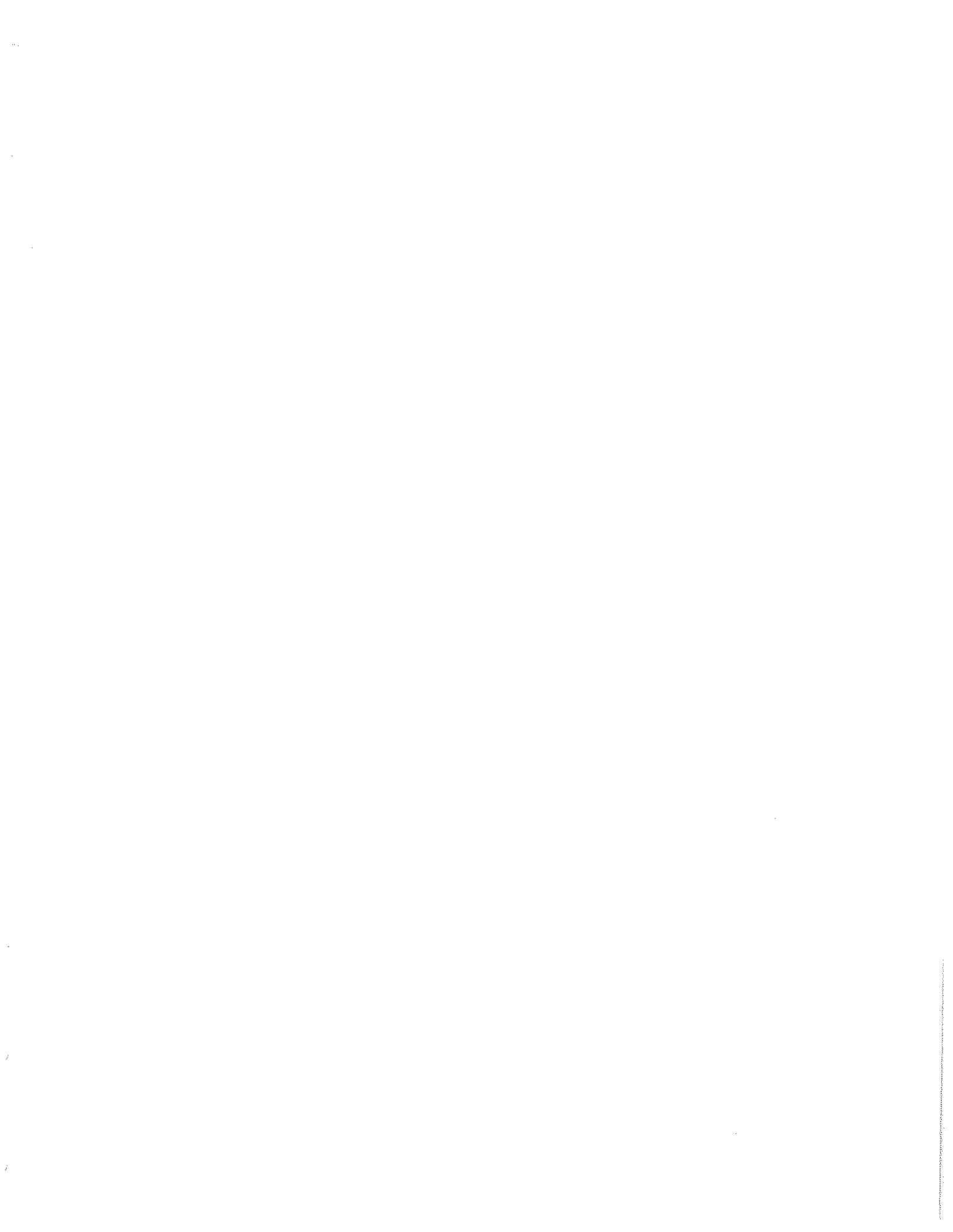
5. All permits, licenses, approvals, consents, certificates, orders, exemptions and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bond, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges have been entered and/or received, including, without limitation, all requisite orders, certificates, consents and approvals from the Public Service Commission of West Virginia, and the Issuer has duly 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, the time for appeal of which has expired prior to the date hereof without appeal.

6. To the best of my knowledge, there is no 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 Bond and the Bond Legislation, the acquisition and construction of the Project, the operation of the System, or the validity of the Bond, or the collection or pledge of the Gross Revenues therefor.

Yours truly,

A handwritten signature in cursive script, reading "Charles B. Mullins II".

Charles B. Mullins II



TOWN OF PINEVILLE

Water Revenue Bonds, Series 2008 A
(United States Department of Agriculture)

COMBINED CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. AUTHORIZATION AND AWARD OF BOND
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. SIGNATURES, ETC.
6. CERTIFICATION OF COPIES OF DOCUMENTS
7. INCUMBENCY AND OFFICIAL NAME, ETC.
8. DELIVERY AND PAYMENT AND USE OF PROCEEDS
9. LAND AND RIGHTS OF WAY
10. MEETINGS; PUBLICATION AND POSTING OF NOTICES, ETC.
11. CONTRACTORS' INSURANCE, ETC.
12. CONNECTIONS, ETC.
13. MANAGEMENT
14. GRANTS
15. CONFLICT OF INTEREST
16. PROCUREMENT OF ENGINEERING SERVICES
17. EXECUTION OF COUNTERPARTS

We, the undersigned MAYOR and RECORDER of the Town of Pineville, in Wyoming County, West Virginia (the "Issuer"), and the undersigned COUNSEL to the Issuer, acting for the Issuer and in its name, hereby state and certify this 15th day of September, 2008 in connection with the Town of Pineville Water Revenue Bonds, Series 2008 A (United States Department of Agriculture), No. AR-1, fully registered, dated the date hereof, in the principal amount of \$1,358,500, and bearing interest at the rate of 4.375% per annum (the "Bond"), as follows:

1. AUTHORIZATION AND AWARD OF BOND: The undersigned are authorized to execute this certificate on behalf of the Issuer and are knowledgeable with respect to the matters set forth herein. The entire issue of the Bonds has been duly awarded to the United States of America, acting by the United States Department of Agriculture, Rural Utilities Service (the "Purchaser"), pursuant to a Letter of Conditions from the Purchaser, as amended, and as appears in Section 7.03 of the Bond Ordinance duly enacted on 18th day of August, 2008, authorizing issuance of the Bond (the "Ordinance" or "Bond Ordinance"). Terms used herein and not otherwise defined herein shall have the same meaning as defined in the Bond Ordinance when used herein. The Bond is being issued on this date to permanently finance a portion of the acquisition and construction of the Project located within the boundaries of the Issuer.

2. NO LITIGATION: No controversy or litigation of any nature is now pending, or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting the issuance and delivery of the Bond or receipt of any grant moneys committed for the

System; nor questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Bond; nor in any way questioning or affecting the validity of the grants committed for the System or the Bond, or any provisions made or authorized for the payment thereof, including, without limitation, the pledge or application of any moneys or security therefor; nor questioning the existence, powers or proceedings of the Issuer or the Council of the Issuer (the "Governing Body") or the title of the members and officers thereof to their respective offices; nor questioning the operation of the waterworks system of the Issuer (the waterworks, as improved and expanded by the Project, as defined in the Ordinance, is herein called the "System") or the acquisition and construction of the Project being financed in part out of the proceeds of sale of the Bond; nor questioning the rates and charges provided for services of the System.

3. GOVERNMENTAL APPROVALS: All applicable and necessary approvals, permits, authorizations, registrations, exemptions, consents and certificates required by law for 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 have been duly and timely obtained and remain in full force and effect, the time for appeal of which or rehearing having expired. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the Official West Virginia Code of 1931, as amended, which bids remain in full force and effect.

The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on January 3, 2008, which became Commission Final Order on February 12, 2008, in Case No. 07-1790-W-CN, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of said Recommended Decision, has expired prior to the date hereof without appeal.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer or the System since the approval by the Purchaser of a loan to assist in acquisition and construction of the Project.

There are outstanding obligations 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 Issuer's Water Revenue Bonds, Series 1979 (United States Department of Agriculture) dated June 14, 1979, issued in the original aggregate principal amount of \$1,718,000 (the "Series 1979 Bonds" or "Prior Bonds"). Other than the Prior Bonds, there are no outstanding obligations of the Issuer which will rank on a parity with the Bond as to liens, pledge and source of and security for payment.

5. SIGNATURES, ETC.: The undersigned Mayor and Recorder did, for the Issuer on the date hereof, officially execute and seal the Bond with the official corporate seal of the Issuer, an impression of which seal is on this certificate above our signatures and said officers are the duly elected or appointed (as applicable), qualified and serving officers as indicated by the official titles opposite their signatures below, and are duly authorized to execute and seal the Bond for the Issuer.

6. 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, supplemented or changed in any way unless modification appears from later documents also listed below.

- Town Charter
- Oaths of Office of Officers and Council members
- Prior Bond Ordinance
- Bond Ordinance
- Rate Ordinance
- Public Service Commission Orders
- Affidavit of Publication on Rate Ordinance
- Minutes on Adoption and Enactment of Rate Ordinance
- Affidavit of Publication on Bond Ordinance
- Minutes on Adoption and Enactment of Bond Ordinance
- United States Department of Agriculture of Conditions and all amendments thereto
- United States Department of Agriculture Grant Agreement
- Evidence of Governor's Office Grant

7. INCUMBENCY AND OFFICIAL NAME, ETC.: The proper corporate title of the Issuer is "Town of Pineville" and it is a municipal corporation and political subdivision of the State of West Virginia in Wyoming County of said State. The governing body of the Issuer is its Council presently consisting of 5 council members and a Mayor and Recorder, all duly elected, qualified and serving, whose names and dates of commencement and termination of current terms of office are as follows:

<u>Name</u>		<u>Date of Commencement of Term of Office</u>	<u>Date of Termination of Term of Office</u>
Tim Ellison	Mayor	07.01.2006	06.30.2010
Sid Bradford	Recorder	07.01.2006	06.30.2010
Christy Bailey	Councilmember	07.01.2006	06.30.2010
Linda Phillips	Councilmember	07.01.2006	06.30.2010
Robert Warner	Councilmember	07.01.2006	06.30.2010
Greg Cook	Councilmember	07.01.2006	06.30.2010
Mike Vickers	Councilmember	07.01.2006	06.30.2010

The duly appointed and acting Counsel to the Issuer is Charles B. Mullens, Esquire, Pineville, West Virginia.

8. DELIVERY AND PAYMENT AND USE OF PROCEEDS: On the date hereof, the Bond was delivered to the Purchaser at Pineville, West Virginia, by the undersigned Mayor for the purposes herein set forth, and at the time of such delivery, the Bond had been duly and fully executed and sealed on behalf of the Issuer in accordance with the Bond Ordinance.

At the time of delivery of the Bond, the amount of \$236,639.24 was received by the undersigned Mayor, being a portion of the principal amount of the Bond, the balance to be paid as acquisition and construction of the Project progresses.

The Bond is dated the date hereof and interest on advances thereon at the rate of 4.375% per annum is payable from the date of each respective advance.

The Bond and the entire proceeds thereof will be used for the purposes herein set forth and for no other purposes.

9. 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, 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 Bond.

10. MEETINGS; PUBLICATION AND POSTING OF NOTICES, 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 acquisition, construction, operation and financing of the Project and the System were authorized, enacted or adopted at meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Charter of the Issuer and any 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 published and/or posted were so published and/or posted.

11. CONTRACTORS' INSURANCE, ETC.: All contractors will be required to maintain Workers' Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Letter of Conditions and Commitment of the Purchaser, as amended, and the Bond Ordinance.

12. CONNECTIONS, ETC.: The Issuer will serve at least 1296 bona fide full time users of the System, upon completion of the Project, in full compliance with the requirements of the Purchaser.

13. MANAGEMENT: The Issuer has heretofore delivered to the Purchaser a plan concerning operation and management of the System, which plan was found to be acceptable by the Purchaser.

14. GRANTS: As of the date hereof, the grant from the Purchaser in the amount of \$1,660,400 and the grant from the Governor's Office in the amount of \$1,400,000 are committed and in full force and effect.

15. CONFLICT OF INTEREST: No officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Bond, the Bond Ordinance and/or the Project, including, without limitation, with respect to the Depository Bank, as defined in the Bond Ordinance. 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.

16. 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.

17. EXECUTION OF COUNTERPARTS: This document may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same document.

[Remainder of this page intentionally left blank]

WITNESS our signatures and the official corporate seal of the TOWN OF PINEVILLE on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Tim Ellison

Mayor

Sid Byrland

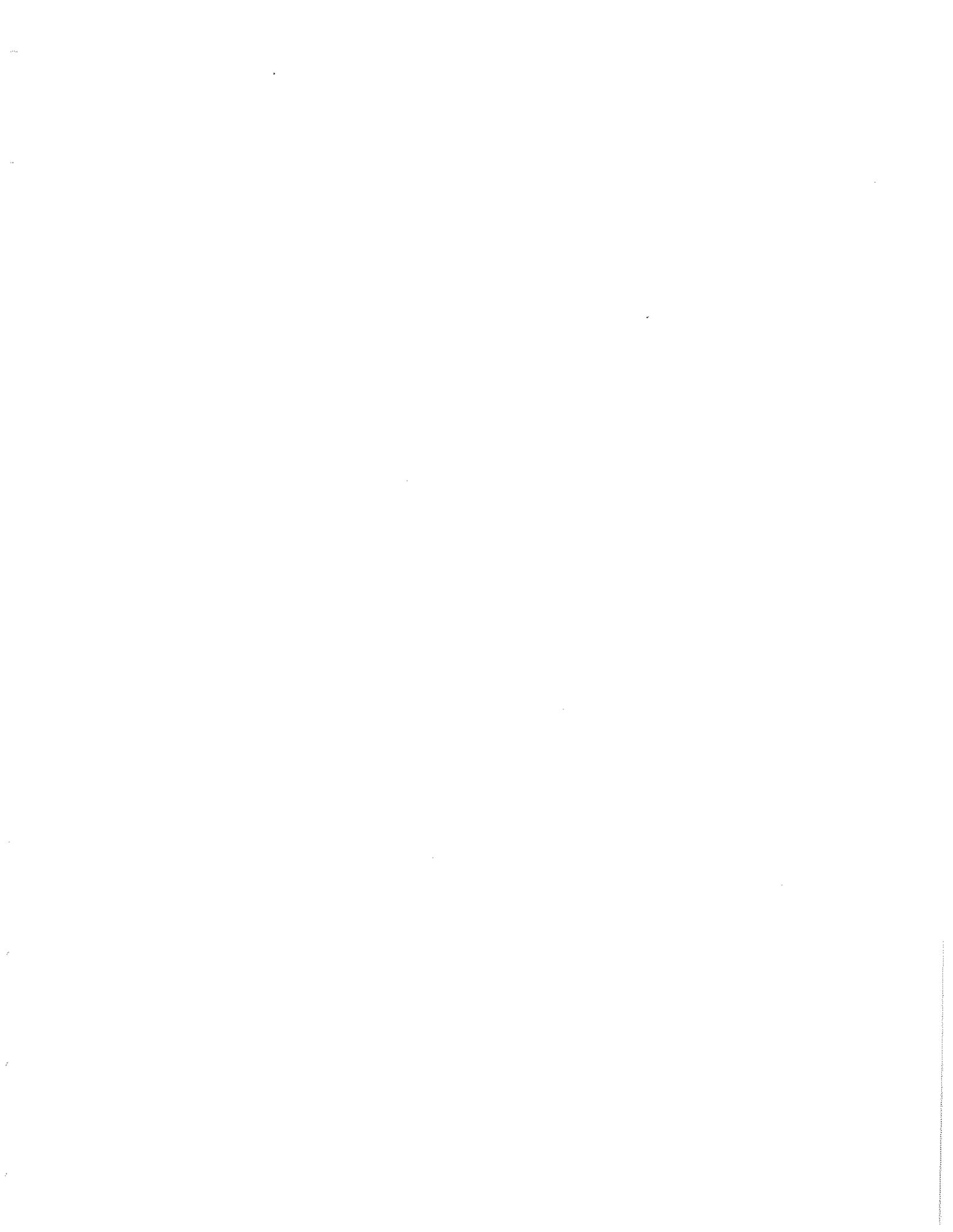
Recorder

Thad B. Mullin #

Counsel to Issuer

09.03.08
704440.00001

CH4932676.1



TOWN OF PINEVILLE

Water Revenue Bond, Series 2008 A
(United States Department of Agriculture)

ENGINEER'S CERTIFICATE

I, Paul V. Amburgey, P.E., Registered Professional Engineer, West Virginia License No. 9651, of Woolpert, Inc., St. Albans, West Virginia, hereby certify that my firm is the engineer for the acquisition and construction of improvements and extensions to the existing waterworks system (the "Project") of the Town of Pineville (the "Issuer"), to be acquired and constructed in Wyoming County, West Virginia, which acquisition and construction are being financed in part by the above-captioned revenue bond of the Issuer.

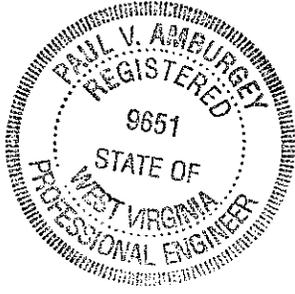
I further certify that the Project will, to the best of my knowledge, be constructed in accordance with plans and specifications prepared by my firm and that such system and Project are situate wholly or chiefly within the boundaries of the Issuer.

I further certify that the Project is adequate for the purposes for which it was designed and that all necessary governmental approvals, consents, authorizations, certificates and permits for the acquisition and construction thereof have been obtained or can and will be obtained.

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WITNESS my signature on this 15th day of September, 2008.

(SEAL)

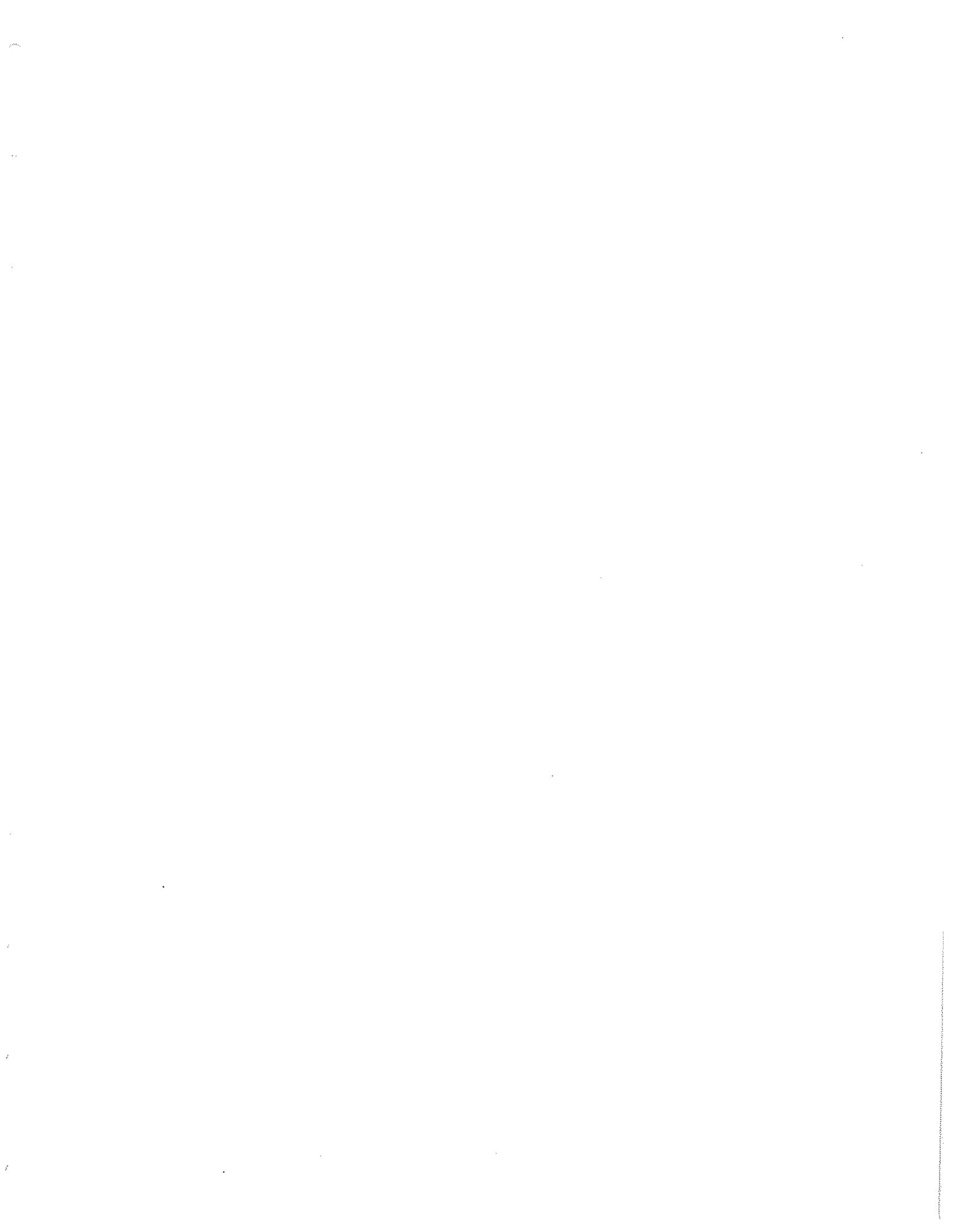


WOOLPERT, INC.

Paul Amburgey 9/3/08
Paul V. Amburgey, P.E.
West Virginia License No. 9651

09.03.08
704440.00001

CH4932659.1





Griffith & Associates

Accountants & Consultants

PROJECT CPA - USDA CERTIFICATE

August 22, 2008

Town of Pineville
USDA CPA Certificate

Town of Pineville
Pineville, West Virginia

United States Department of Agriculture
Elkins, West Virginia

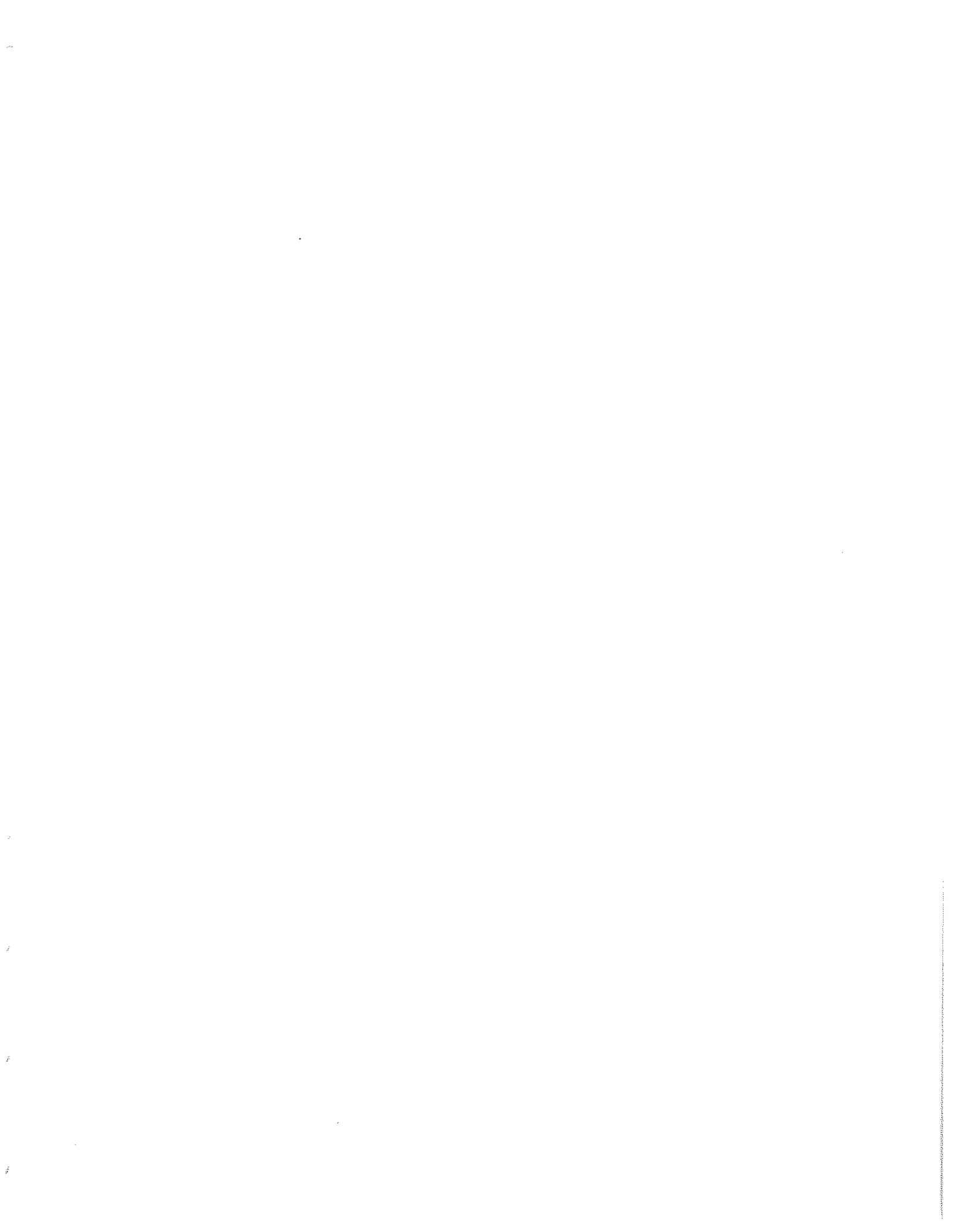
Ladies and Gentlemen:

I, Michael D. Griffith, a Certified Public Accountant, License No. WV 003909, West Virginia, have reviewed the books and records of the Town of Pineville. I hereby provide certification that the accounts and records of the Town have been established in accordance with West Virginia Public Service Commission requirements and these accounts and records are operational.

Very truly yours,

Michael D. Griffith, CPA

MDG/dk



West Virginia
A Circuit Court
continued and held for the County
of Boone at the Court House there on
Saturday, the 29th day of June, 1907.

Present:
The Hon James Miller, Judge.

Incorporation of the Town of Pineville,
June 29, 1907.

This day Elias Jackson, Harvey Muehins
and J. H. N. Cook, Three legal voters in
said town, who acted at an election, this
day held within the boundaries of said town
as commissioners of election as provided by
law, presented to this Court and Certified
and returned under oath to it, The result
of said election held for the purpose of
determining whether or not said town of
Pineville should become and be created
a municipal Incorporation under the
general laws of the State of West Virginia or
not, and which vote as certified and the
returns thereof showed a majority of the legal
and qualified voters of and within boundaries
of said town of Pineville, as hereinafter set
forth to be in favor of Incorporation, there
being thirty votes for incorporation and eleven
votes against incorporation as shown by the
election returns so certified as provided by
section 1848, Code of West Virginia 1906, to this
Court and the said certificate of election as
required by law and upon satisfactory proof
that all of the provisions of the laws of

West Virginia relating to the incorporation of cities, towns and villages as provided by Chapter 47 of said Code of 1906, having been duly complied with in all respects, and the Court being of the opinion that a certificate of incorporation of said town of Pineville should be issued, it is therefore adjudged and ordered that the Clerk of this Court shall issue a certificate of incorporation of such town, in form and effect as follows:

"A certificate under oath of the town of Pineville, was this day filed showing that a majority of all the qualified voters residing in the following boundary, to wit:

Beginning: At a chestnut and spanish oak on a knob between Rock Castle Creek and Lyanogate River, corner to school sections 3 & 4, thence with the line of both N 63° E up said divide to a hickory on the same corner to Lee Kelly; thence with his line N 15° W 15 1/2 30.50 chains crossing said Rock Castle Creek below said Lee Kelly's to a white oak-red oak and hickory on the ridge, corner to Johnson Cyra; thence N 12° W 7.50 chains to a white oak and black oak; thence N 49° W 16.00 chains to a white oak and chestnut corner to school section no 3; thence leaving same N 50° W 14.75 chains to a point above S. D. G. Sparks' house in a bottom of Rock Castle Creek near the county road; thence S 71° W 12.25 chains to a stake in a rock bar; S 42° W 5.80 chains to a white oak beech and chestnut, corner to school section no 3; thence with the same S 9 1/2° W 30 chains to a stake in line; thence S 60° W 30 ^{Chains} to white oak corner to patent 17; thence S 77° W 37 chains to a spruce pine near mouth of Williamson Branch;

Thence up the river S 31° E 36.50 chains to a
 cucumber on north bank of Guyandotte
 River, corner to said patent No 7; thence S 20° 30'
 E. 58.00 chains to a point on bank of Pineville
 Creek about 10 chains upon Pineville Fort;
 thence crossing Mingo's ridge, and the
 Guyandotte River; N 32° E 63.50 chains to the
 beginning, and containing six hundred
 (600) acres have been given in due form of
 law in favor of the incorporation of the
 town of Pineville in the county of Mingo
 and state of West Virginia, bounded as herein
 set forth.

And it appearing to the satisfaction
 of the Court that all the provisions of chapter
 forty seven of the Code of West Virginia
 have been complied with, by the applicants
 for said incorporation, and the said town
 is duly authorized within the corporate
 limits of said town to exercise all the cor-
 porate powers conferred by said chapter
 of Code, from and of the date of this certificate.

E. M. Denton, Clerk.

And from and after the date of such
 certificate the territory embraced within
 the boundary mentioned in said certificate
 shall be an incorporated town by the
 name of The Town of Pineville specified
 in said notice and proceedings, and it
 is further ordered that Sigs Jackson,
 J. J. Swope and M. M. Rutherford who are legal
 voters within the said territory of said town
 of Pineville, be and they are hereby appointed,
 and who shall act as commissioners of
 election at the first election to be held

in said town within sixty days after
the date of said certificate of incorporation
as provided by law.

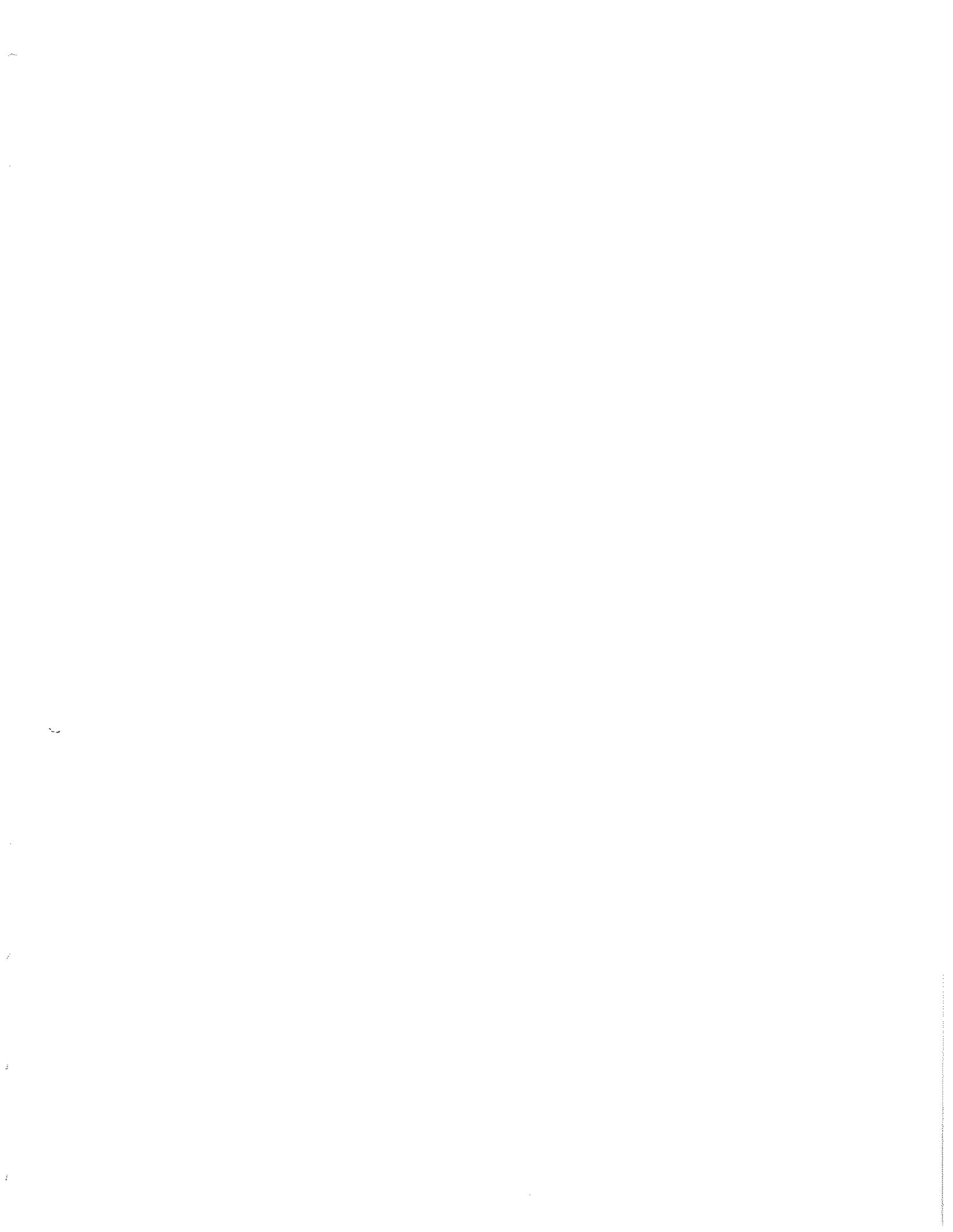
It is further ordered that the map
of the territory included in the boundaries
of said town of Pineville, filed as a part of
the records in this proceeding made by
H. M. Cline, be transcribed and recorded
in the Law Order Book of this Court
following this order.

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

J. E. M. Senter, Clerk
of the Circuit Court of said county and state
do hereby certify that the above and foregoing
is a true and correct copy of the order
of Incorporation of the Town of Pineville
in Wyoming County, West Virginia, entered
at the June Term of said ^{Circuit} Court, 1907, as
the same appears of record in my office in
Law Order Book No. 11 at page 108.

Given under my hand this 2nd day of July 1907,

E. M. Senter,
Clerk.



TOWN OF PINEVILLE
LIST OF OFFICIALS

<u>NAME</u>	<u>TITLE</u>	<u>ADDRESS</u>	<u>PHONE NUMBER</u>	<u>TERM EXPIRATION DATE</u>
Tim Ellison	Mayor	Box 458, Pineville, WV 24874	304-732-0170	6-30-10
Sid Bradford	Recorder	Box 1305, Pineville, WV 24874	304-294-5200	6-30-10
Christy Bailey	Council Member	Box 124, Pineville, WV 24874	304-256-6941	6-30-10
Greg E. Cook	Council Member	Box 1621, Pineville, WV 24874	304-732-8466	6-30-10
Linda Phillips	Council Member	Box 505, Pineville, WV 24874	304-732-6298	6-30-10
Mike Vickers	Council Member	Box 1791, Pineville, WV 24874	304-732-6674	6-30-10
Robert Warner	Council Member	Box 203, Pineville, WV 24874	304-732-6803	6-30-10

TOWN OF PINEVILLE
P.O. BOX 220
PINEVILLE, WV 24874-0220
(304) 732-6255

OATH OF OFFICE

STATE OF WEST VIRGINIA
COUNTY OF WYOMING
TOWN OF PINEVILLE, to-wit:

I Timothy J. Ellis, A RESIDENT OF THE TOWN OF
PINEVILLE, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT
THE CONSTITUTION OF THE UNITED STATES, AND THE CONSTITUTION OOF
THIS STATE, AND I FURTHER SWEAR THAT I WILL FAITHFULLY AND
HONESTLY DISCHARGE MY DUTIES AS MAYOR OF
THE TOWN OF PINEVILLE, WEST VIRGINIA, UNTIL MY SUCCESSOR DULY
ELECTED OR APPOINTED AND QUALIFIED, ACCORDING TO LAW, TO THE
BEST OF MY SKILL AND JUDGEMENT, SO HELP ME GOD.

Timothy J. Ellis AFFIANT

TAKEN, and subscribed and sworn to before me this the 10 day
of July 2006.

W. R. R. R.

**TOWN OF PINEVILLE
P.O. BOX 220
PINEVILLE, WV 24874-0220
(304) 732-6255**

OATH OF OFFICE

STATE OF WEST VIRGINIA
COUNTY OF WYOMING
TOWN OF PINEVILLE, to-wit:

I Sid Bradford, A RESIDENT OF THE TOWN OF
PINEVILLE, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT
THE CONSTITUTION OF THE UNITED STATES, AND THE CONSTITUTION OF
THIS STATE, AND I FURTHER SWEAR THAT I WILL FAITHFULLY AND
HONESTLY DISCHARGE MY DUTIES AS Town Recorder OF
THE TOWN OF PINEVILLE, WEST VIRGINIA, UNTIL MY SUCCESSOR DULY
ELECTED OR APPOINTED AND QUALIFIED, ACCORDING TO LAW, TO THE
BEST OF MY SKILL AND JUDGEMENT, SO HELP ME GOD.

Sid Bradford AFFIANT

TAKEN, and subscribed and sworn to before me this the 10th day
of July, 2006.

Wm. [Signature]

TOWN OF PINEVILLE
P.O. BOX 220
PINEVILLE, WV 24874-0220
(304) 732-6255

OATH OF OFFICE

STATE OF WEST VIRGINIA
COUNTY OF WYOMING
TOWN OF PINEVILLE, to-wit:

I CHRISTY BAILEY, A RESIDENT OF THE TOWN OF
PINEVILLE, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT
THE CONSTITUTION OF THE UNITED STATES, AND THE CONSTITUTION OOF
THIS STATE, AND I FURTHER SWEAR THAT I WILL FAITHFULLY AND
HONESTLY DISCHARGE MY DUTIES AS COUNCIL PERSON OF
THE TOWN OF PINEVILLE, WEST VIRGINIA, UNTIL MY SUCCESSOR DULY
ELECTED OR APPOINTED AND QUALIFIED, ACCORDING TO LAW, TO THE
BEST OF MY SKILL AND JUDGEMENT, SO HELP ME GOD.

Chf Bauf AFFIANT

TAKEN, and subscribed and sworn to before me this the 10th day
of JULY, 2008.

Wm Lee

TOWN OF PINEVILLE
P.O. BOX 220
PINEVILLE, WV 24874-0220
(304) 732-6255

OATH OF OFFICE

STATE OF WEST VIRGINIA
COUNTY OF WYOMING
TOWN OF PINEVILLE, to-wit:

I Gregory E. Cook, A RESIDENT OF THE TOWN OF
PINEVILLE, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT
THE CONSTITUTION OF THE UNITED STATES, AND THE CONSTITUTION OOF
THIS STATE, AND I FURTHER SWEAR THAT I WILL FAITHFULLY AND
HONESTLY DISCHARGE MY DUTIES AS Councilman OF
THE TOWN OF PINEVILLE, WEST VIRGINIA, UNTIL MY SUCCESSOR DULY
ELECTED OR APPOINTED AND QUALIFIED, ACCORDING TO LAW, TO THE
BEST OF MY SKILL AND JUDGEMENT, SO HELP ME GOD.

Gregory E. Cook AFFIANT

TAKEN, and subscribed and sworn to before me this the 10th day
of July, 2006.

William B. [Signature]

**TOWN OF PINEVILLE
P.O. BOX 220
PINEVILLE, WV 24874-0220
(304) 732-6255**

OATH OF OFFICE

STATE OF WEST VIRGINIA
COUNTY OF WYOMING
TOWN OF PINEVILLE, to-wit:

I Sinda B. Phillips, A RESIDENT OF THE TOWN OF
PINEVILLE, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT
THE CONSTITUTION OF THE UNITED STATES, AND THE CONSTITUTION OF
THIS STATE, AND I FURTHER SWEAR THAT I WILL FAITHFULLY AND
HONESTLY DISCHARGE MY DUTIES AS Council person OF
THE TOWN OF PINEVILLE, WEST VIRGINIA, UNTIL MY SUCCESSOR DULY
ELECTED OR APPOINTED AND QUALIFIED, ACCORDING TO LAW, TO THE
BEST OF MY SKILL AND JUDGEMENT, SO HELP ME GOD.

Sinda B. Phillips AFFIANT

TAKEN, and subscribed and sworn to before me this the 10th day
of July, 2006.

Wm. B. [Signature]

TOWN OF PINEVILLE
P.O. BOX 220
PINEVILLE, WV 24874-0220
(304) 732-6255

OATH OF OFFICE

STATE OF WEST VIRGINIA
COUNTY OF WYOMING
TOWN OF PINEVILLE, to-wit:

I Michael W. Vickers, A RESIDENT OF THE TOWN OF
PINEVILLE, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT
THE CONSTITUTION OF THE UNITED STATES, AND THE CONSTITUTION OOF
THIS STATE, AND I FURTHER SWEAR THAT I WILL FAITHFULLY AND
HONESTLY DISCHARGE MY DUTIES AS Council Person OF
THE TOWN OF PINEVILLE, WEST VIRGINIA, UNTIL MY SUCCESSOR DULY
ELECTED OR APPOINTED AND QUALIFIED, ACCORDING TO LAW, TO THE
BEST OF MY SKILL AND JUDGEMENT, SO HELP ME GOD.

Michael W. Vickers AFFIANT

TAKEN, and subscribed and sworn to before me this the 10th day
of July 2006.

Winn Free

TOWN OF PINEVILLE
P.O. BOX 220
PINEVILLE, WV 24874-0220
(304) 732-6255

OATH OF OFFICE

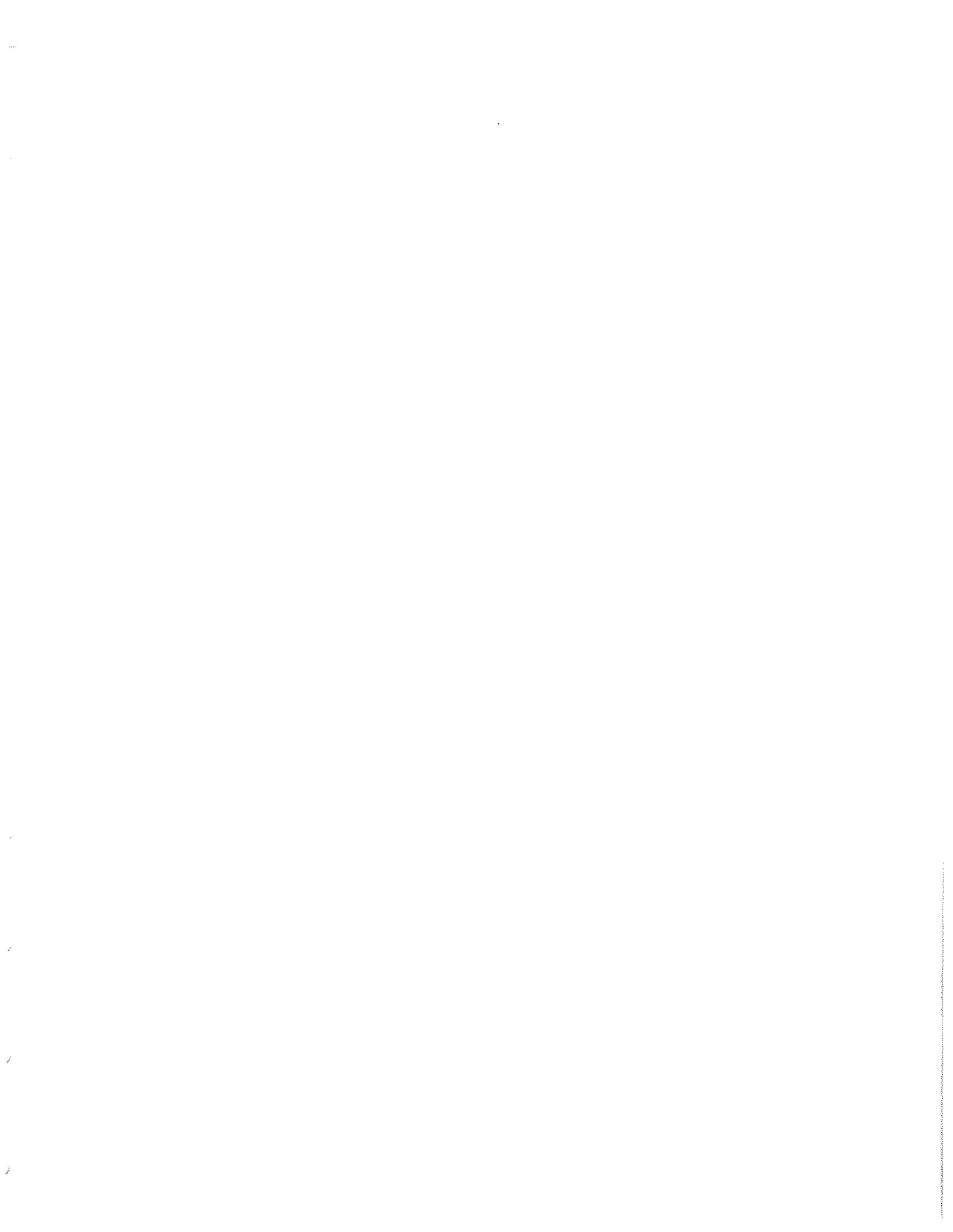
STATE OF WEST VIRGINIA
COUNTY OF WYOMING
TOWN OF PINEVILLE, to-wit:

I Robert "Doc" Warner, A RESIDENT OF THE TOWN OF
PINEVILLE, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT
THE CONSTITUTION OF THE UNITED STATES, AND THE CONSTITUTION OF
THIS STATE, AND I FURTHER SWEAR THAT I WILL FAITHFULLY AND
HONESTLY DISCHARGE MY DUTIES AS Councilman OF
THE TOWN OF PINEVILLE, WEST VIRGINIA, UNTIL MY SUCCESSOR DULY
ELECTED OR APPOINTED AND QUALIFIED, ACCORDING TO LAW, TO THE
BEST OF MY SKILL AND JUDGEMENT, SO HELP ME GOD.

Robert "Doc" Warner AFFIANT

TAKEN, and subscribed and sworn to before me this the 10 day
of July, 2006.

W. Warner



TOWN OF PINEVILLE

RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES

Pursuant to Chapter 6, Article 9A, Section 3 of the West Virginia Code, the Council of the Town of Pineville 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:

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

2. Special Meetings. A notice shall be posted by the Recorder at the front door or bulletin board of the Town Hall not less than 2 business days before a special 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.

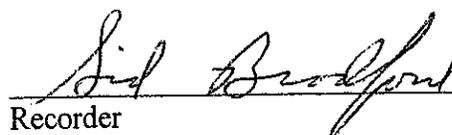
Adopted this 26th day of Nov., 2007.



Mayor

SEAL

ATTEST:



Recorder

NOTICE OF INCREASE IN WATER RATES

Water Rate Ordinance Section XI – Article 104

WHEREAS, the providing of water service by the municipally operated water utility of the town of Pineville, Wyoming county, West Virginia, has experienced rising costs; and,

WHEREAS, the aforesaid water utility is in need of upgrading its water plant and is planning on extending its water lines to the communities of Ramey, Glover, and Wyoming.

WHEREAS, it has become necessary to adopt a change in the monthly rates and charges of said water utility, which said rates and charges shall be effective not sooner than forty-five (45) days after adoption of this Ordinance,

NOW, THEREFORE, BE IT ENACTED AND ORDAINED by the municipality of Pineville, Wyoming County, West Virginia as follows:

- (1) the new water rate ordinance is a two (2) phase increase in rates and charges.

PHASE 1

The proposed Phase I increased rates and charges will become effective on February 1, 2006, unless otherwise ordered by the public Service commission (the "Commission"), and will produce approximately \$62,503 annually in additional revenue, an increase of 12.3%.

APPLICABILITY

Water rates applicable in the entire area served.

AVAILABILITY

Available for residential, commercial, governmental, industrial and resale service.

The increased rates are as follows:

PHASE 1 RATES (customers with metered water supply)

First 2,500 gallons used per month	\$10.00 per 1,000 gallons
Next 7,500 gallons used per month	8.75 per 1,000 gallons
Over 10,000 gallons used per month	7.50 per 1,000 gallons

PHASE 1 MINIMUM CHARGE (customers with metered water supply)

No bill will be rendered for less than \$25.00 per month.
(Equivalent to 2,500 gallons of water usage)

No bill will be rendered for less than the following amounts, to wit:

5/8 Inch Meter	\$ 25.00 per month
1 Inch Meter	62.50 per month

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COMMISSION
SECRETARY'S OFFICE

1 - 1/2 Inch Meter	125.00 per month
2 Inch	200.00 per month
3 Inch Meter	375.00 per month
4 Inch Meter	625.00 per month
6 Inch Meter	1,250.00 per month

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 COMMISSION
 SECRETARY'S OFFICE

FIRE SERVICE LINE – APPROVED SPRINKLER SYSTEMS

4 Inch meter	\$140.00 per hour or for each fraction thereof when
6 Inch meter	activated for fire control.

FLAT RATE CHARGE (Customers with non-metered water supply) \$42.50 per month

DELAYED PAYMENT PENALTY

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

TAP FEE \$ 350.00

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

A tap fee of \$100 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of \$350 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

WATER DISCONNECT-RECONNECT-ADMINISTRATIVE FEES \$ 25.00

Whenever water service had been disconnected for any reason, a disconnection fee of \$25.00 is charged; or in the event the delinquent water bill is collected in the field, an administrative fee of \$25.00 is charged. Whenever water service which has been previously disconnected for any reason is reconnected, a reconnection fee of \$25.00 shall be charged.

RETURNED CHECKS CHARGE

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

LEAK ADJUSTMENT

\$3.91 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

PHASE II

The proposed Phase II increased rates and charges will become effective May 1, 2007, unless otherwise ordered by the Public Service Commission (the "Commission"), and will produce approximately \$51,210 annually in additional revenue, and increase of 9%.

APPLICABILITY

Water rates applicable in the entire area served.

AVAILABILITY

Available for residential, commercial, governmental, industrial and resale service.

The increased rates are as follows:

RATES (Customers with metered water supply)

First	3,000 gallons used per month	\$ 11.00 per 1,000 gallons
Next	7,000 gallons used per month	\$ 9.00 per 1,000 gallons
All Over	10,000 gallons used per month	7.50 per 1,000 gallons

MINIMUM CHARGE (Customers with metered supply)

No minimum bill will be rendered for less than \$ 33.00 per month
(Equivalent to 3,000 gallons of water usage)

5/8	Inch meter	\$ 33.00 per month
3/4	Inch meter	49.50 per month
1	Inch meter	82.50 per month
1-1/4	Inch meter	120.45 per month
1-1/2	Inch meter	165.00 per month
2	Inch meter	264.00 per month
3	Inch meter	495.00 per month
4	Inch meter	825.00 per month
6	Inch meter	1,650.00 per month
8	Inch meter	2,640.00 per month

FIRE SERVICE LINE – APPROVED SPRINKLER SYSTEMS

4	Inch meter	\$150.00 per hour or for each fraction thereof
6	Inch meter	for fire control.

There shall be a monthly minimum charge of \$25.00 per meter.

FLAT RATE CHARGE (customers with non-metered water supply) \$46.50 per month
(Equivalent to 4,500 gallons of water usage)

DELAYED PAYMENT PENALTY

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

TAP FEE

\$350.00

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 COMMISSION
 SECRETARY'S OFFICE

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

A tap fee of \$100 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of \$350.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

WATER DISCONNECT-RECONNECT-ADMINISTRATIVE FEES \$25.00

Whenever water service had been disconnected for any reason, a disconnection fee of \$25.00 shall be charged; or in the event the delinquent water bill is collected in the filed, an administrative fee of k\$25.00 shall be charged. Whenever water service which has been previously disconnected for any reason is reconnected, a reconnection fee of \$25.00 shall be charged.

RETURNED CHECKS CHARGE

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

LEAK ADJUSTMENT

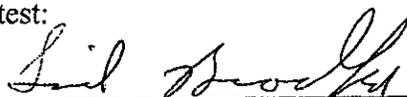
\$3.91 PER 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

That said increased water rate shall apply to all customers, commercial and residential, and to all customers who are served by said municipally operated public utility, whether they reside inside the corporate limits of said Town or outside the corporate limits of said Town; and, that the effective date of this ordinance shall be Feburary 1, 2006.

Passed, 1st Reading: October 16, 2006
Passed, 2nd Reading: December 18, 2006


TIM ELLISON, MAYOR

Attest:


SID BRADFORD, RECORDER

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W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

RECEIVED



Pineville Town Council Minutes December 18, 2006

Present

Mayor Tim Ellison
Council Member Linda Phillips
Council Member Greg Cook
Council Member Mike Vickers
Eric McKinney, Police Officer
Corbet Justus, Water Plant Manager
Brenda Sigmon, Town Manager
Sid Bradford, Town Recorder

Visitors

Mack Morgan
Gene Young, CPSD
Gary Ramsey, CPSD
Chris Adams, Carter Machinery
Hope Huffman
Robert Stewart
Steve Cline

.....

Mayor Tim Ellison called the meeting to order.

Old Business

The council discussed building a new lifts station; then deed the property and station to the PSD. Council Member Greg Cook made a motion to accept the agreement with Carter Machinery for the two inch forced main line, lift station and temporary easement for the line. Council Member Linda Phillips seconded. Council voted 3- 0 to accept the motion.

✓ The council discussed a rate increase for water. Council Member Linda Phillips made a motion to accept the second reading for the Pineville Municipal Water Works Proposed Going Level Tariff increase. Council Member Greg Cook seconded. Council voted 3- 0 to accept the motion.

The council discussed the sewer manhole behind the water plant.

The council discussed the status of the water project easements and right-of-ways.

The council discussed a small boundary adjustment from East Pineville City limit to Doctor Lao's office in East Pineville.

The council discussed the new bridge going across the Guyandote River to the Municipal Park.

The council discussed sending Town Manager Brenda Sigmon to the budget training at Chief Logan State Park. Council Member Linda Phillips made a motion to send Ms Sigmon to the budget training. Council Member Greg Cook seconded. Council voted 3- 0 to accept the motion.

The council discussed town employee Johnny Vance's probationary period is up. Member Phillips made a motion to place Mr. Vance as a full time employee and place him as department head at \$8.00 an hour. Council Member Mike Vickers seconded. Council voted 3 - 0 to accept the motion.

Department Reports

POLICE/CHIEF SNOW

The council discussed whether to purchase a new or used police vehicle.

The council discussed vandalism at the Municipal Park.

The council discussed loud vehicle exhaust and noise in the town limit.

The council reviewed the monthly police report. Council Member Vickers made a motion to accept the monthly police report. Council Greg Cook seconded. Council voted 3 - 0 to accept the motion.

OFFICE/BRENDA SIGMON

The council discussed B&O delinquencies.

The council discussed town employee Jesse Vance's probationary period is up. Member Vickers made a motion to place Mr. Vance as a full time employee. Council Member Cook seconded. Council voted 3 - 0 to accept the motion.

WATER/TOWN/CORBERT JUSTICE

The council discussed the town vehicles.

The council discussed Bob Bailey's letter about a water problem.

The council discussed repairs at the water plant. Council Member Warner made a motion to buy electric heaters for the water plant. Council Member Vickers seconded. Council voted 3 - 0 to accept the motion. Council Member Cook abstained.

The council discussed extending the water line to property behind Pineville Middle School. The council decided to upgrade the water line and purchase a larger pump to add pressure. Member Vickers made a motion to extend the water line. Council Member Cook seconded. Council voted 3 - 0 to accept the motion.

COMMISSIONER'S REPORTS

Linda Phillips/FEMA

The council discussed the zoning of town.

Christy Bailey/STREETS

The council discussed the storm drain project.

Greg Cook/WATER

No report.

Robert Warner/PARKS & RECREATION

No report.

Mike Vickers/POLICE

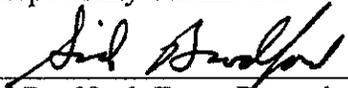
No report.

New Business

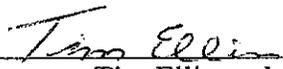
The mayor discussed the Region One meeting at 12:00 on November 1st at Pipestem.

Council Member Linda Phillips made a motion to adjourn. Council Member Greg Cook seconded. Council voted 3 - 0 to accept the motion.

Respectfully Submitted.



Sid Bradford, Town Recorder



Tim Ellison, Mayor

Pineville Town Council Minutes November 27, 2006

Present

Mayor Tim Ellison
Council Member Christie Bailey
Council Member Greg Cook
Council Member Mike Vickers
Council Member Robert Warner
Roger Snow, Police Chief
Charles Mullins, Town Attorney
Brenda Sigmon, Town Manager
Sid Bradford, Town Recorder

Visitors

Mack Morgan
Lloyd Adams

.....
Mayor Tim Ellison called the meeting to order.

Old Business

Council Member Greg Cook made a motion to accept the October 26th minutes. Council Member Mike Vickers seconded. Council voted 4- 0 to accept the motion.

The council discussed the status of the water project. The town has received approval to begin the water project and upgrade the water plant.

The council discussed a small boundary adjustment from East Pineville City limit to Doctor Lao's office in East Pineville.

The council discussed construction on the new bridge going across the river to Kentucky Side.

The council discussed the lawsuit against United States Steel. Town Attorney Charles Mullins discussed hiring an outside law firm to aid him with the lawsuit. Council Member Warner made a motion to allow Mr. Mullins hire a firm to represent the town. Council Member Cook seconded. Council voted 4 - 0 to accept the motion.

The council discussed October Fest and a report on the success of the project.

The council discussed the status of the water project for Carter Machinery. Mayor wrote a letter to the Governor's Chief of Staff to upgrade the water line to a 6" line.

Department Reports

POLICE/CHIEF SNOW

The council discussed new/used police cars and a letter sent to the Governor about the new police cruiser that money was placed in the state budget.

The council discussed vandalism of the municipal park.

The council discussed loud vehicle exhaust and noise in the town limit.

The council reviewed the monthly police report. Council Member Vickers made a motion to accept the monthly police report. Council Member Bailey seconded. Council voted 4 - 0 to accept the motion.

OFFICE/BRENDA SIGMON

The council discussed B&O delinquencies.

✓ The council discussed a rate increase for water. See addendum for Pineville Municipal Water Works Proposed Going Level Tariff. Member Cook made a motion to accept the first reading of the rate presented. Council Member Vickers seconded. Council voted 4 - 0 to accept the motion.

The council discussed Christmas bonuses for the Town employees.

WATER/TOWN/CORBERT JUSTICE

The council discussed the town vehicles.

The council discussed Bob Bailey's water problem and the need for a deed to be drawn-up for the property.

The council discussed repairs at the water plant. Council Member Warner made a motion to buy electric heaters for the water plant. Council Member Vickers seconded. Council voted 3 - 0 to accept the motion. Council Member Cook abstained.

The council discussed extending the water line to property behind Pineville Middle School. The council decided to upgrade the water line and purchase a larger pump to add pressure.

COMMISIONER'S REPORTS

Linda Phillips/FEMA

The council discussed the zoning of town.

Christy Bailey/STREETS

Council Member Bailey discussed selling bricks for \$80 each to raise the \$6000 matching money for the Street Light Project. Council Member Bailey made a motion to sell the

bricks and allow the Mayor to sign all applicable paper work. Council Member Vickers seconded. Council voted 4 - 0 to accept the motion.

The council discussed the storm drain project.

Greg Cook/WATER

No report.

Robert Warner/PARKS & RECREATION

No report.

Mike Vickers/POLICE

No report.

New Business

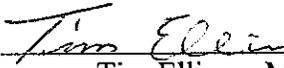
The mayor discussed plans for the 100th Anniversary celebration.

Council Member Mike Vickers made a motion to adjourn. Council Member Greg Cook seconded. Council voted 4 - 0 to accept the motion.

Respectfully Submitted.



Sid Bradford, Town Recorder



Tim Ellison, Mayor

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

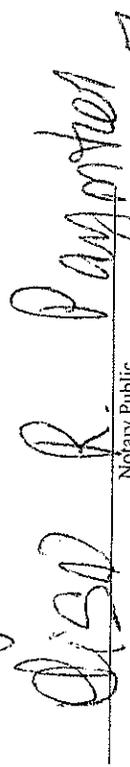
L. Gaither Perry, Publisher of Independent Herald, a paper published in the County aforesaid, do affirm that the Notice hereto attached was published in said paper for 2 successive weeks, the first publication thereof being on 10th day of AUGUST 2008 and the subsequent publication on the 13th day of AUGUST 2008, the day of _____ 2008, and the day of _____ 2008.



State of West Virginia, Wyoming, to-wit:

_____ being duly sworn, says that he posted a copy of the annexed _____ at the front door of the Court House of said County, on the _____ day of _____ 2008.

Taken, subscribed and sworn to before me, this 19th day of AUGUST 2008. Printer's fee \$ 39.24


Notary Public

MY COMMISSION EXPIRES ON 11-17-2017

NOTICE OF PUBLIC HEARING ON TOWN OF PINEVILLE BOND ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a regular meeting of the Council of the Town of Pineville (the "Town") to be held on Monday, August 18, 2008, at 6:30 p.m. at the Town of Pineville Town Hall, 220 Appalachian Highway, Pineville, West Virginia, and at such hearing any person interested may appear before the Town and present protests, and all protests and suggestions shall be heard by the Town, and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

TOWN OF PINEVILLE ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE TOWN OF PINEVILLE, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$1,858,500 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2008A (UNITED STATES DEPARTMENT OF AGRICULTURE), DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS, PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS, AND

PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT. The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated there- by. The Town contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used to provide financing of the costs of acquisition and construction of improvements to the existing waterworks system by the Town of Pineville and to pay certain costs of issuance of the Bonds and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the water system of the Town. No taxes may at any time be levied for the payment of the Bonds or the interest thereon. The above-titled Ordinance was adopted by the Council of the Town of Pineville on July 21, 2008. A certified copy of the above-entitled Ordinance is on file with the Town for review by interested parties during regular office hours. Following the public hearing, the Town intends to enact the Ordinance upon final reading. Tim Ellison, Mayor 8.6.13

Pineville Town Council Minutes June 16, 2008

Present

Mayor Tim Ellison
Council Member Linda Phillips
Council Member Mike Vickers
Council Member Christie Bailey
Council Member Greg Cook
Brenda Sigmon, Town Manager
Roger Snow, Police Chief
Corbett Justus, Water Plant Manager
Kathy Bolt, Acting Town Recorder

Visitors

Mack Morgan
Jack Bias

.....

Mayor Tim Ellison called the meeting to order and welcomes guests..

Jack Bias discussed with the council a problem that a street was running through his carport on the house he just bought. The mayor informed Mr. Bias that he would discuss the matter with Mr. Charles Mullins, City Attorney, and try to resolve the problem.

Old Business

Council Member Christy Bailey made a motion to dispense with the reading of the minutes from meeting. Council Member Mike Vickers seconded. Council voted 4 - 0 to accept the motion.

Council Member Christy Bailey made a motion to accept the minutes from meeting. Council Member Mike Vickers seconded. Council voted 4 - 0 to accept the motion.

The council discussed the water extension on the Wyoming project easements, Right-of-Ways, etc. Mayor Ellison informed the council that a pre-bid meeting would be held on July 8th and a bid meeting would be held on July 22nd for the water extension down to Wyoming. Both meetings would be reported in the newspaper.

The mayor informed the council that Phase I of the water extension project on the Welch-Pineville Road was complete. Phase II would not begin until some disagreements were resolved. The council and the Mayor were in agreement that no water would be provided until the project was completed to the Industrial Park as originally planned.

The council discussed abandoned property in town. The Mayor informed the council that garbage had been gathered and hauled off from the David Parsons' house on Kentucky Side and that a lien would be placed on the property.

The council discussed the Barnett property and the Mayor reported that he had consulted with the City Attorney Charles Mullins. Mr. Mullins suggested condemning the property.

Dean Meadows was unavailable to attend the meeting and discuss the 911-address situation.

Department Reports

POLICE/CHIEF SNOW

The council reviewed the monthly police report. Council Mike Vickers made a motion to accept the monthly police report. Council Member Linda Phillips seconded. Council voted 4- 0 to accept the motion.

The council discussed Police Officer Eric McKinney's resignation letter. Council Linda Phillips made a motion to accept the resignation effective June 16th with the two week notice ending June 30th. Council Member Greg Cook seconded. Council voted 4- 0 to accept the motion. The council discussed new equipment that Officer McKinney had purchased with the agreement that he can either purchase the equipment from the town or turn it in. With the latter option he would be reimbursed what had been deducted from his pay.

Robbie Bailey has requested to purchase the old set of bar lights the town has for his Fire Marshall vehicle. Council Linda Phillips made a motion to donate the bar lights to the fire marshals office and when the town purchases another set to donate the old ones to the fire marshals office too. Council Member Greg Cook seconded. Council voted 3- 0 to accept the motion, with Council Member Christy Bailey abstaining.

OFFICE/BRENDA SIGMON

Council Member Christy Bailey discussed with the council a letter from the Tug River Clinic who received a 2008 Community Participation Program Grant for Pineville Children's Clinic-Equipment and Repairs Project Grant in the amount of \$25,000. Pineville Children's Clinic has been taken over by Tug River Clinic. Council Member Christy Bailey made a motion to approve the change and accept the grant. Council Member Linda Phillips seconded. Council voted 4 – 0 to accept the motion.

The council discussed the three thousand dollar 2008 Community Participation Program Grant for Capital Improvement that the city had received. Council Member Greg Cook made a motion to rescind the resolution to accept the grant. Council Member Robert Warner seconded. Council voted 4 – 0 to accept the motion. Council Member Christy Bailey made a motion to submit and application for the Community Participation Grant

to cover various improvements. Council Member Linda Phillips seconded. Council voted 4 – 0 to accept the motion.

Council Member Greg Cook made a motion to accept the first reading to amend the Business and Occupation Tax Ordinance. Council Member Linda Phillips seconded the resolution. Council voted 4 – 0 to accept the resolution.

WATER/TOWN/CORBERT JUSTICE

The council discussed the 2009 Proposed Municipal Water Works Budget. Council Member Greg Cook made a motion to adopt the proposed budget. Council Member Christy Bailey seconded. Council voted 4 - 0 to accept the adoption.

The council discussed the extension of the water line to properties behind Pineville Middle School. The mayor informed the council that the extension is finished and everything is working properly.

The council discussed cutoff notices and how they were sent to customers.

The council discussed lids left off of water meters.

COMMISIONER'S REPORTS

Linda Phillips/FEMA

The council discussed the zoning of town and Council Member Linda Phillips requested tabling the matter.

Christy Bailey/STREETS

The council discussed the street light project and continued inviting town business people to come in and look over plans.

Greg Cook/WATER

The council discussed the ordinance for Bond Council on the Wyoming/Glover Water Extension Project. Council Member Greg Cook made a motion to accept the first reading of the ordinance. Council Member Linda Phillips seconded. Council voted 4 - 0 to accept the adoption.

Council Member Greg Cook made a motion to accept the second reading of the ordinance on cross connections. Council Member Mike Vickers seconded. Council voted 4 - 0 to accept the adoption.

Robert Warner/PARKS & RECREATION

The council discussed the Pineville Municipal Pool and the Mayor informed the council that a camera was put in the lines and found there were areas where rocks were blocking the lines. One leak was discovered in the shallow end and numerous problems were discovered with valves in the deep end. Council Member Greg Cook informed the

council that he would take a shop vacuum and try to dislodge the rocks. Council Member Linda Phillips suggested waiting until the fall and there may be more companies available to work on the pool. Council Member Christy Bailey suggested that to attract more customers the pool needed to offer a waterfall/fountain area. The Mayor asked Council Member Christy Bailey to look into cost. Council Member Greg Cook suggested offering more activities for the area children such as dances, sports lessons, etc. The Mayor suggested that the town announce that the pool would not open this year but will receive repairs and reopen next spring.

The Office of Emergency Management approved the boat ramp at Williamson Branch for the Wyoming County Turkey Federation.

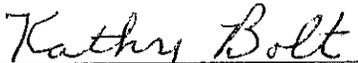
Mike Vickers/POLICE

No report.

New Business

Council Member Greg Cook made a motion to adjourn. Council Member Robert Warner seconded. Council voted 4 - 0 to accept the motion.

Respectfully Submitted.



Kathy Bolt, Acting Town Recorder



Tim Ellison, Mayor

Pineville Town Council Minutes July 21, 2008

Present

Mayor Tim Ellison
Council Member Linda Phillips
Council Member Mike Vickers
Council Member Christie Bailey
Council Member Greg Cook
Council Member Robert Warner
Brenda Sigmon, Town Manager
Roger Snow, Police Chief
Corbett Justus, Water Plant Manager
Sid Bradford, Town Recorder

Visitors

Mack Morgan
Silas Mullins

.....

Mayor Tim Ellison called the meeting to order and welcomes guests.

Silas Mullins discussed with the council about condemning Naomi Davidson's property behind the Methodist Church. Council Member Linda Phillips made a motion to proceed with the condemnation of the property. Council Member Greg Cook seconded. Council voted 5 - 0 to accept the motion.

Council Member Linda Phillips made a motion to amend section 8-105c Premise to be Kept Clean to add a service charge of \$500.00 dollars for cleaning around any house deemed necessary by the Abandoned Building Committee. Council Member Robert Warner seconded. Council voted 5 - 0 to accept the motion.

The council discussed purchasing a drug dog with County Commission Member Silas Mullins.

Old Business

Council Member Christy Bailey made a motion to dispense with the reading of the minutes from meeting. Council Member Mike Vickers seconded. Council voted 5 - 0 to accept the motion.

Council Member Christy Bailey made a motion to accept the minutes from 5-06-08 meeting. Council Member Mike Vickers seconded. Council voted 5 - 0 to accept the motion.

Council Member Christy Bailey made a motion to accept the minutes from 5-19-08 meeting. Council Member Mike Vickers seconded. Council voted 5 - 0 to accept the motion.

Council Member Christy Bailey made a motion to accept the minutes from 6-16-08 meeting. Council Member Mike Vickers seconded. Council voted 5 - 0 to accept the motion.

The council discussed the water extension on the Wyoming project easements, Right-of-Ways, etc. Mayor Ellison informed the council that a bid meeting would be held on July 22nd at 2:00 at City Hall for the water extension down to Wyoming.

Council Member Linda Phillips made a motion to accept a bid from Gas Field Services for \$6,180.00 to repair the road to the water tank above the post office in Pineville. Council Member Greg Cook seconded. Council voted 5 - 0 to accept the motion.

The mayor informed the council that he had a meeting with US Steel on Phase I of the water extension project on the Welch-Pineville Road. The mayor informed US Steel that we would not sign off on Phase I until all problems were fixed and the tank was in place. The council and the Mayor were in agreement that no water would be provided until the project was completed to the Industrial Park as originally planned.

The council discussed abandoned property in town. The Mayor informed the council that garbage had been gathered and hauled off from the David Parsons' house on Kentucky Side and that a lien would be placed on the property.

The council discussed the Barnett property and the Mayor reported that he had consulted with the City Attorney Charles Mullins. Mr. Mullins suggested condemning the property.

Dean Meadows was unavailable to attend the meeting and discuss the 911-address situation.

Department Reports

POLICE/CHIEF SNOW

The council reviewed the monthly police report. Council Mike Vickers made a motion to accept the monthly police report. Council Member Linda Phillips seconded. Council voted 5- 0 to accept the motion.

The council discussed hiring a new police officer. The mayor recommended that the council hire Patrick Plumley after he signs a contract of employment. The applicant must pass the physical agility test. Council Mike Vickers made a motion to accept the

recommendation and hire Mr. Plumley. Council Member Christy Bailey seconded. Council voted 5- 0 to accept the motion.

OFFICE/BRENDA SIGMON

Council Member Greg Cook made a motion to accept the second reading to amend the Business and Occupation Tax Ordinance. Council Member Linda Phillips seconded the resolution. Council voted 5 – 0 to accept the motion.

The council discussed adjustments on water bills of Jamie Shields and Harry Cook.

The council discussed Elizabeth Kennedy arriving at work consistently late. The council discussed if Ms. Kennedy shows up late for work again, she will be suspended for one week (5 days) without pay.

WATER/TOWN/CORBERT JUSTICE

The council discussed pumping the sediment ponds and pumps at the water plant.

The council discussed advertising to hire an engineer for the Indian Creek & Rolling Hills water extension. Council Linda Phillips made a motion to place the advertisement. Council Member Robert Warner seconded. Council voted 5- 0 to accept the motion.

COMMISIONER'S REPORTS

Linda Phillips/FEMA

The council discussed the zoning of the town. Council Member Linda Phillips made a motion to accept the first reading of the zoning ordinance. See the proposed zoning ordinance in the minute's book. Council Member Greg Cook seconded. Council voted 5 - 0 to accept the motion.

Christy Bailey/STREETS

The council discussed the street light project and announced that there would be a mandatory pre-bid meeting on July 22nd ..

The council discussed a Hotel/Motel Tax Ordinance.

The council discussed the Appalachian Power Company Street Light Contract. The Mayor recommended renewing the contract with a stipulation to decrease the number of street light when the Street Light Project is finished.

Greg Cook/WATER

The council discussed the ordinance for Bond Council on the Wyoming/Glover Water Extension Project providing for the issuance of the Water Revenue Bond will be used (i)

to pay a portion of the costs of a n improvements. The council adopted the second reading of the ordinance.

Council Member Greg Cook made a motion to accept the third reading of the ordinance on cross connections. Council Member Mike Vickers seconded. Council voted 5 - 0 to accept the adoption.

Robert Warner/PARKS & RECREATION

The council discussed the Pineville Municipal Pool.

The Office of Emergency Management approved the boat ramp at Williamson Branch for the Wyoming County Turkey Federation.

Mike Vickers/POLICE

No report.

New Business

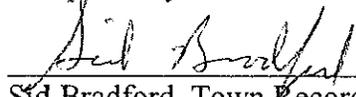
The council discussed revisions to the 2007-08 budget. Credit Police Department \$10,000. Debit Unencumbered Funds \$10,000. Council Member Christy Bailey made a resolution to accept the changes. Council Member Linda Phillips seconded. Council voted 5 - 0 to accept the resolution

The council discussed that Ronald Williams probationary period had ended. Council Member Greg Cook made a motion to place Mr. Williams as a permanent employee at \$7.50 an hour. Council Member Robert Warner seconded. Council voted 5 - 0 to accept the motion.

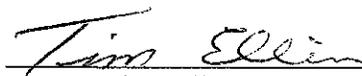
The council discussed hiring the employees through Integrated Resources.

Council Member Greg Cook made a motion to adjourn. Council Member Robert Warner seconded. Council voted 5 - 0 to accept the motion.

Respectfully Submitted.



Sid Bradford, Town Recorder



Tim Ellison, Mayor

Pineville Town Council Minutes August 18, 2008

Present

Mayor Tim Ellison
Council Member Greg Cook
Council Member Christy Bailey
Council Member Linda Phillips
Council Member Mike Vickers
Brenda Sigmon, Town Manager
Roger Snow, Police Chief
Corbett Justus, Water Plant Manager
Sid Bradford, Town Recorder

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Visitors

Rhonda Francis
Anthony Caldwell
(Steptoe & Johnson)
Gerald Green
Lonnie Green
Mike Johnson
Peyton Hale

Mayor Tim Ellison called the meeting to order and welcomed guests.

Anthony Caldwell from Steptoe & Johnson discussed with the council the bond issue on the Wyoming/Glover Water Project. The council discussed the third reading of the Ordinance for Bond Council on the Wyoming/Glover Water Extension Project. Providing for the issuance of the Water Revenue Bonds, Series 2008 A (the Bonds). The proceeds of the Bonds will be used (i) to pay a portion of the costs of improvements to the existing water system of the Issuer (Wyoming & Glover); and (ii) to pay certain cost derived from the ownership an operation of the system of the Town. Council Member Greg Cook made a motion to accept the third reading. Council Member Linda Phillips seconded. Council voted 4 - 0 to accept the motion.

Gerald Green discussed the repaired road on tank hill with the council. He had complaints that water runoff may damage his yard and garden.

Lonnie Green discussed with the council about low water pressure in Rock View.

Rhonda Francis discussed with the council a problem house on Oakwood Avenue.

Mike Johnson discussed with the council the fire hydrants in town. He stated that the fire department had updated their equipment with new five inch hose and the department had problems opening the five inch attachments on the hydrants. He wanted the fire department to be involved in inspecting the fire hydrants.

Old Business

Council Member Greg Cook made a motion to accept the minutes from July 21, 2008. Council Member Linda Phillips seconded. Council voted 4 - 0 to accept the motion.

Council Member Greg Cook made a motion to accept the minutes from August 12, 2008. Council Member Linda Phillips seconded. Council voted 4 - 0 to accept the motion.

Council Member Greg Cook made a motion to dispense with the reading of the minutes from meeting. Council Member Linda Phillips seconded. Council voted 4 - 0 to accept the motion.

The mayor informed the council that he had received the agreement for the loan closing for \$236,639.24 and asked for permission from the council to sign the agreement. Council Member Greg Cook made a motion to allow the mayor to sign the agreement. Council Member Mike Vickers seconded. Council voted 4 - 0 to accept the motion.

The mayor discussed with the council about US Steel water extension project on the Welch-Pineville Road.

Dean Meadows was unavailable to attend the meeting and discuss the 911-address situation.

The council discussed the Labor Day Festival.

Department Reports

POLICE/CHIEF SNOW

Council Member Greg Cook made a motion to go into executive session. Council Member Mike Vickers seconded. Council voted 4 - 0 to accept the motion.

Council Member Greg Cook made a motion to return from executive session. Council Member Mike Vickers seconded. Council voted 4 - 0 to accept the motion.

The council reviewed the monthly police reports. Council Mike Vickers made a motion to accept the monthly police reports. Council Member Linda Phillips seconded. Council voted 4- 0 to accept the motion.

OFFICE/BRENDA SIGMON

The council discussed how leak adjustments are made and suggested that the office follow the PSC guidelines. Council Member Greg Cook made a resolution to only allow one leak adjustment within a one year period. Council Member Linda Phillips seconded. Council voted 4 - 0 to accept the resolution

The council discussed revisions to the 2008-09 Coal Severance Budget. Credit Streets \$2,137.92. Debit Unencumbered Fund Balance \$2137.92. Council Member Christy Bailey made a resolution to accept the changes. Council Member Linda Phillips seconded. Council voted 4 - 0 to accept the resolution.

Office Manager discussed with the council the need to transfer \$7,000.00 from the Town of Pineville account to Municipal Water Works account as a loan. Council Member Greg

Cook made a motion to make the transfer. Council Member Mike Vickers seconded. Council voted 4 - 0 to accept the motion.

WATER/TOWN/CORBERT JUSTICE

The council discussed the pumps at the water plant.

The council discussed advertising for an engineer on the Indian Creek and Rolling Hills water extension.

Plant Manager Corbert Justice discussed with the council problems with the town vehicles.

COMMISSIONER'S REPORTS

Linda Phillips/FEMA

The council discussed zoning of the town. Council Member Linda Phillips made a resolution to accept the second reading of the Zoning Ordinance. Council Member Christy Bailey seconded. Council voted 4 - 0 to accept the resolution

Christy Bailey/STREETS

The council discussed the street light project and the mayor informed the council that AEP would sign contract on Friday the 22nd at 10.

The council discussed a Hotel/Motel Tax Ordinance.

Council Member Bailey discussed the 5k Race at Labor Day.

Greg Cook/WATER

No Report

Robert Warner/PARKS & RECREATION

The council discussed the Pineville Municipal Pool.

The council discussed vandalism at the pool and park.

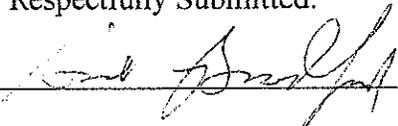
Mike Vickers/POLICE

No report.

New Business

Council Member Greg Cook made a motion to adjourn. Council Member Linda Phillips seconded. Council voted 5- 0 to accept the motion.

Respectfully Submitted.



Sid Bradford, Town Recorder



Tim Ellison, Mayor

The purpose of the NEW ISSUE REPORT FORM is to provide the WV Municipal Bond Commission with an early warning of three basic facts no later than the day of closing on any issue for which the Commission is to act as fiscal agent. These are:

1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

The commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specified by the West Virginia Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all supplements, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes."

Again, please submit this form on each new issue on the day of closing. If fund transfers into or out of the Commission at closing are required, please submit this form before closing. If no significant facts change by closing, no resubmission at closing is required. If, however, there are changes, please submit an updated form, with changes noted, at closing.

If you should have any questions concerning this form, please call the Commission.



United States Department of Agriculture
Rural Development
West Virginia State Office

September 11, 2008

~~The Honorable Tim Ellison
Mayor, Town of Pineville
P. O. Box 220
Pineville, WV 24874~~

RE: Amendment No. 1 to
Letter of Conditions

Dear Mayor Ellison:

This letter, with Attachment No. 1 amends the letter of conditions dated April 6, 2004 and further establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan and grant will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an RUS loan in the amount of \$1,358,500, and a RUS grant in the amount of \$1,660,400, and other funding in the amount of \$1,400,000, for a total project cost of \$4,418,900. The other funding is planned in the form of a grant from the West Virginia Infrastructure Fund.

Subject to the requirements noted herein, all of the conditions of the April 6, 2004 letter of conditions remain in effect and must be satisfied prior to loan and grant closing.

Extra copies of this letter are being provided for use by your engineer, attorney, bond counsel and accountant. The enclosures and attachments listed below are attached to the copies as noted.

Enclosed are the following:

Attachment No. 1 - Project Construction Budget (All Copies)

The conditions referred to above are as follows:

1. Loan Repayment – The loan will be scheduled for repayment over a period of 40 years. The payments due the first 24 months will consist of interest only. The remaining 456

Federal Building • 75 High Street • Suite 320 • Morgantown, WV 26705-7500
Phone: (304) 284-4860 OR 1-800-295-8228 • Fax: (304) 284-4893 • 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).

months will be equal amortized monthly installments. For planning purposes, use a 4.375% interest rate and monthly amortization factor of .00451 which provides for a monthly payment of \$6,127.00 for the \$1,358,500 loan.

If the conditions set forth in this letter are not met within six (6) months from the date hereof, RUS reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of loan closing within the six-month period and it is determined the Town still wishes to proceed, it will be necessary that the proposed budget be reviewed again in detail. If, during that review, it is determined the budget is no longer current and/or adequate, RUS reserves the right to require that it be revised or replaced.

We believe the information herein clearly sets forth the actions which must be taken; however, if you have any questions, please do not hesitate to contact me.

Sincerely,



RICKIE E. RICE
State Director

Enclosures

cc: Area Director, Stephen Wetherbee
ATTN: RUS Specialist

Michael Griffith, CPA
Griffith & Associates
950 Little Coal River Road
Alum Creek, WV 25003

Charles B. Mullins, II, Attorney at Law
P. O. Box 490
Pineville, WV 24874

✓ John Stump, Steptoe & Johnson, Attorney's at Law
P. O. Box 1588
Charleston, WV 25326

Paul V. Amburgey
Woolpert, Inc.
1200 Corporate Court
Ashland, KY 41102

Region I Planning & Development Council
1439 Main Street, Suite 5
Princeton, WV 24740

Attachment No. 1 to Letter of Conditions

For: Town of Pineville

Date: September 11, 2008

Project Construction Budget

<u>PROJECT COST</u>	<u>WVDO GRANT</u>	<u>RUS GRANT</u>	<u>RUS LOAN</u>	<u>TOTAL</u>
CONSTRUCTION	\$ 1,360,000	\$ 1,084,850	\$ 919,725	\$ 3,364,575
CONST. CONTINGENCY		\$ 285,520	\$ 30,000	\$ 315,520
LAND & RIGHTS			\$ 2,500	\$ 2,500
LEGAL FEES		\$ 4,000	\$ 16,000	\$ 20,000
BOND COUNSEL			\$ 15,000	\$ 15,000
ACCOUNTING			\$ 13,525	\$ 13,525
ENGINEERING FEES		\$ 150,000	\$ 234,900	\$ 384,900
Basic - \$ 240,900				
Insp. - \$ 109,000				
Special - : 35000				
INTEREST			\$ 122,350	\$ 122,350
ADMINISTRATION	\$ 40,000			\$ 40,000
PERMITS			\$ 4,500	\$ 4,500
PROJECT CONTG.		\$ 136,030		\$ 136,030
TOTAL	\$ 1,400,000	\$ 1,660,400	\$ 1,358,500	\$ 4,418,900



United States Department of Agriculture
Rural Development
Beckley Area Office

August 20, 2008

The Honorable Tim Ellison
Mayor, Town of Pineville
P. O. Box 220
Pineville, WV 24874

Dear Mayor Ellison:

The pre-closing date for the Town's water system improvements project has been established as September 11, 2008. The pre-closing will begin at 10:00 a.m. at the Town Hall followed by the pre-construction conference at 11:00 a.m.

Reference is made to our Letter of Conditions dated April 6, 2004. All of the requirements of that letter must be met.

Many of the aforementioned items have already been addressed. Those remaining items to be satisfied prior to loan closing include:

1. The Town's attorney must furnish Form RD 442-22, "Opinion of Counsel Relative to Rights of Way," showing no exceptions. This form should be dated September 15, 2008.
2. The Town's attorney must furnish Form RD 1927-10, "Final Title Opinion," on all land(s) being acquired. In addition, the attorney must provide a separate Final Title Opinion(s) covering all existing property owned by the PSD. The opinion(s) should be dated September 15, 2008.
3. The Town's attorney must furnish an updated narrative opinion addressing all permits, certifications and other items necessary to show that all legal requirements can be met and stating how they will be met. The narrative should also identify any condemnation proceedings that are anticipated and state how they will be handled. The opinion should be dated September 15, 2008.

481 Ragland Rd. • Beckley, WV 25801
Phone: (304) 253-9597 • Toll Free: (800) 295-8228 • Fax: (304) 252-5809 • TDD: (304) 284-4836 • Web: <http://www.rurdev.usda.gov/wv>

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To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400
Independence Avenue, SW, Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).

4. The permit from the West Virginia Department of Highways must be on hand at the closing. The PSD should proceed to obtain necessary bond and forward same to the WVDOH requesting the permit be issued.
5. The Town's engineer must provide a resume of the proposed inspector(s).
6. The Town must provide a letter accepting the proposed inspector(s).
7. A certificate from the Town's accountant that the accounts and records required by the bond resolution and the PSC have been established and are operational. The chart of accounts and record keeping books must be available for review at loan closing.
8. The Town must provide evidence that it has acquired insurance and bond coverage in accordance with item 11 of the Letter of Conditions.
9. The Town must furnish evidence that it provides State Workers' Compensation Insurance.

If you have any questions regarding these or any other matters pertaining to your loan, please contact this office.

Sincerely,

TERESA A. MILLER
Rural Development Specialist

Enclosures

cc: State Director, Rural Development, Morgantown, WV
Charles Mullins, II, Attorney at Law, Pineville, WV
John Stump, Steptoe & Johnson Bond Counsel, Charleston, WV
Michael Griffith, CPA, Alum Creek, WV
Paul V. Amburgey, Woolpert, Inc., Ashland, KY
Region I Planning & Development Council, Princeton, WV



Contact: Leslie Brown, LAPAS
Phone: (202) 720-9928
April 30, 2004

PROJECT ANNOUNCEMENT

**Rural Development has approved a loan of \$1,358,500
and a grant of \$1,660,400**

Program: Water and Waste Disposal Loan and Grant

State: West Virginia

County: Wyoming

Congressman, District: Rahall, 3

Senators: Byrd and Rockefeller

Recipient: Town of Pineville

Recipient Contact: The Honorable Tim Ellison, Mayor
Mailing Address: Post Office Box 220
Pineville, WV 24874
Telephone: (304) 732-6255

Purpose of Loan/Grant: Rural Development funds will be used to make improvements to the existing water treatment facility, as well as extend public water service to approximately 86 new customers who are currently without a safe and reliable source of water. This will include the communities of Mullensville, Ramey Addition, Glover and Wyoming. The existing system is in very poor condition and has been under extended boil water advisories on numerous occasions.

Loan Terms: 40 years at 4.375 percent

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USDA Rural Development is an Equal Opportunity Lender Provider and Entitled to
Compliance with Section 504 should be sent to USDA, Director Office of Civil Rights, Washington, DC 20250-9310

USDA UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

75 High Street Federal Building, Suite 320, Morgantown, WV 26505-7500
304.284.4860 • 1.800.295.8228 • fax 304.284.4893 • TTY/TDD 304.284.4836

April 6, 2004

The Honorable Tim Ellison
Mayor, Town of Pineville
P.O. Box 220
Pineville, WV 24874

Dear Mayor Ellison:

This letter, with Attachments 1 through 15 and enclosures, establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan and grant will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an RUS loan in the amount of \$1,358,500 and an RUS grant in the amount of \$1,660,400 for a total project cost of \$3,018,900.

The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you. The interest rate will be the lower of the rate in effect at the time of loan approval or the time of loan closing.

Extra copies of this letter are being provided for use by your engineer, attorney, bond counsel and accountant. The enclosures and attachments listed below are attached to the copies as noted. Enclosed are the following:

- Attachment No. 1 - Project Construction Budget (All Copies)
- Attachment No. 2 - Water and Waste Processing Checklist for the Town of Pineville (All Copies)
- Attachment No. 3 - RUS Instruction 1780, Subparts A and B (Applicant Copy)
- Attachment No. 4 - RUS Instruction 1780, Subpart C (Engineer Copy)
- Attachment No. 5 - RUS Instruction 1780, Subpart D (Attorney and Bond Counsel Copies)
- Attachment No. 6 - RUS Supplemental General Conditions (Engineer Copy)

[Http://www.rurdev.usda.gov/wv](http://www.rurdev.usda.gov/wv)



USDA Rural Development is an Equal Opportunity Lender, Provider and Employer
Complaints of discrimination should be sent to: USDA Director, Office of Civil Rights, Washington, D.C. 20250-9410

COMMITTED TO THE FUTURE OF RURAL COMMUNITIES

- Attachment No. 7 - RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Project with RUS Financial Assistance"
- Attachment No. 8 - Government Auditing Standards (Revision 1994) (Accountant Copy)
- Attachment No. 9 - RUS Bulletin 1780-30, "Water Programs Audit Guide and Compliance Supplement"
- Attachment No. 10 - RUS Bulletin 1780-31, "Water Programs Compliance Supplement for OMB Circular A-133 Audits"
- Attachment No. 11 - Town of Pineville Water Users Agreement (Applicant and Attorney Copies)
- Attachment No. 12 - Declination Statement (Applicant and Attorney Copies)
- Attachment No. 13 - Sample Credit Agreement (Applicant Copy)
- Attachment No. 14 - RUS Policy regarding Use of Remaining Funds
- Attachment No. 15 - Various other RD Forms as identified on Attachment No. 2

The conditions referred to above are as follows:

1. Loan Repayment - The loan will be scheduled for repayment over a period of 40 years. The payments due the first 24 months will consist of interest only. Payments for the remaining 456 months will be equal amortized monthly installments. For planning purposes use a ~~4.50%~~^{4.38%} interest rate and a monthly amortization factor of .00459, which provides for a monthly payment of ~~\$6,236~~^{\$6,127.00}. You have the option of participating in the PREAUTHORIZED DEBIT (PAD) payment process. It will allow for your payment to be electronically debited from your account on the day your payment is due. Your authority must establish and fund monthly a debt service reserve account, which equals 10% of your monthly payment each month until you accumulate the equivalent of one annual installment on your loan.

You are reminded that your authority may be required to refinance (graduate) the unpaid balance of its RUS loan, in whole or in part, upon the request of RUS if at any time it shall be determined the authority is able to obtain a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time.

2. Security - The loan must be secured by a statutory lien of shared first priority, a pledge of the system's revenues and other agreements between you and RUS as set forth in the bond ordinance which must be properly adopted and executed by the appropriate officials of your organization. Additional security requirements are contained in RUS Bulletin 1780-12 and RUS Bulletin 1780-27 which are mentioned later.
3. Users - This conditional commitment is based upon you providing evidence that you will have at least 1296 bona fide users on the proposed system when it has been completed and is placed in operation. This evidence will consist of 86 signed user agreements and a signed certification from you that identifies and attests to the number of users actually connected to and using the Town's existing water system, which is to be partially replaced by the new system, at the time you request authorization to advertise the proposed project for construction bids.

The enclosed Water Users Agreement (RUS Bulletin 1780-9) will be used. Each user signing an agreement must make a user contribution of \$100.00. Each potential user who is located along planned lines and declines the offered service will be provided an opportunity to sign a "Service Declination Statement." A guide "Service Declination Statement" is attached for your use. If a potential user refuses to sign either a user agreement or a declination statement, the individual making the contact for the Town should complete the declination statement for that potential user and note thereon his/her visit with the potential user, the potential user's refusal to sign, and the reason therefore. The declination statement should also be dated and signed by the individual making the contact.

Before RUS can agree to the project being advertised for construction bids, you must provide evidence that the total required number of bona fide users has been acquired and that all potential users have been offered the proposed service. Information and material evidencing compliance with this requirement must consist of (1) your certification (written) as to the number of users connected to and using the water service of the existing system (paying monthly bills), (2) signed user agreements, (3) signed service declination statements, (4) records evidencing user contributions having been paid, (5) a map locating each potential user's property in the new service area identifying it by number, (6) a list of all signed bona fide users numbered so as to be a cross-reference with the map, and (7) a list of all declination statements numbered so as to be a cross-reference with the map.

4. Bond Counsel Services - The services of a recognized bond counsel are required. The bond counsel will prepare the form of ordinance to be used, in accordance with Subpart D of RUS Instruction 1780. You should immediately provide your bond counsel with a copy of this letter of conditions, its attachments and enclosures.
5. Engineering Services - It will be necessary for you to obtain the services of an engineer. EJCDC No. 1910-1-FA, "Standard Form of Agreement between Owner and Engineer for Professional Services" (Funding Agency Edition) should be used to obtain the services of an engineer. The EJCDC document is issued under copyright and cannot be provided by RUS.

Prior to loan and grant closing, you must provide RUS with documentation that the West Virginia Public Service Commission has reviewed and approved the engineering agreement.

6. Legal Services - It will be necessary for you to obtain the services of a local attorney. For your convenience RUS Bulletin 1780-7, "Legal Services Agreement" is enclosed for your use.
7. Accounting Services - It will be necessary for you to obtain the services of a qualified accountant. The accountant must agree to develop and provide the following:
 - a. All necessary accounting material required by the Public Service Commission of West Virginia (Rule 42 Exhibit).

- b. Prior to loan/grant closing, your accountant must certify that the accounts and records as required by your bond ordinance have been established and are operational.

The Accountant's Agreement should be submitted to RUS for review. Compensation in the contract should include only those services identified above and not include payment for construction management services from the accountant unless RUS concurrence is obtained.

RUS regulations (Attachment No. 8) outline requirements for the submission of management reports and audits. Appropriate state statutes place certain audit requirements on your Town. The attached booklets, "Government Auditing Standards (Revised 1994)" (Attachment No. 8), and RUS Bulletins 1780-30 and 1780-31 (Attachment Nos. 9 and 10) outline audit requirements.

You are reminded that certain provisions of the Office of Management and Budget Circular A-133 are applicable to any public body or nonprofit association that expends \$500,000 or more in federal funds in any one fiscal year. You must enter into an agreement annually with an accountant (or the State Tax Department) to perform the audit. The agreement must be in accordance with the requirements of the State Tax Commissioner of West Virginia. Compensation for preparation of the A-133 audit or your annual audit are not included in project funds and should be paid from the operational revenues generated from your system operation.

8. Facility Control - Prior to advertisement for construction bids, you must furnish satisfactory evidence that you have or can obtain adequate continuous and valid control over the lands and rights needed for the project. Such evidence must be in the following form:
- a. A right-of-way map showing clearly the location of all lands and rights needed for the project. The map must designate public and private lands and rights and the appropriate legal ownership thereof.
 - b. A copy of deeds, contracts or options for any lands needed other than rights-of-way, along with a preliminary title opinion covering such lands. Form RD 1927-9, "Preliminary Title Opinion" may be used. In the case of your existing system or where the Town already acquired real property (land or facilities), a preliminary title opinion(s) concerning all such property(s) will be provided.
 - c. A narrative opinion from your attorney concerning all permits, certifications and other items necessary to show that all legal requirements can be met and stating how they will be met. This narrative should also identify any condemnation proceedings that are anticipated and state how they will be handled.
 - d. A certification and legal opinion relative to title to rights-of-way and easements. Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way," may be used. This form may contain a few exceptions such as properties that must be condemned; however, prior to the start of construction or loan closing, whichever occurs first, a new Form RD 442-22, must be provided which does not provide for any exceptions. The attorney's legal opinion should include a certification that all requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and West Virginia State

Code Chapter 54 have been met in the acquisition of both real property and rights-of-way. Such requirements may include, but are not limited to, distributing informational material to all affected property owners, and completing appraisals of the affected properties.

- e. On the day of loan closing, the Town's attorney must furnish final title opinions on all land(s) being acquired. Form RD 1927-10, "Final Title Opinion" may be used. In the case of your existing system or where the Town has already acquired real property(s) (land or facilities), the Town's attorney will provide a separate final title opinion(s) covering such property(s) on the day of loan closing.
9. Permits - Copies of all permits needed for the project must be provided for review prior to advertisement for construction bids. Such permits will include but are not limited to the following:
- West Virginia Department of Highways
 - Railroads
 - State Department of Health
 - Department of Environmental Protection
 - Corps of Engineers
 - Public Land Corporation
10. Public Service Commission Approvals - You must obtain the following from the West Virginia Public Service Commission:
- a. A Certificate of Convenience and Necessity.
 - b. Approval of user charges that are acceptable to you and the Rural Utilities Service.
 - c. Approval of financing for the project's proposed financing arrangements.
- The "Rule 42" Exhibit to be attached to the Public Service Commission application must contain at least the information shown in Attachment No. 1. A copy of the Public Service Commission application and its "Rule 42" Exhibit must be provided for review.
11. Insurance and Bonding Requirements - Prior to preliminary loan closing, you must acquire the following insurance and bond coverage:
- a. Liability Insurance - Personal Liability - \$500,000; Property Damage - \$200,000-\$200,000. The limits of liability coverage noted herein should be considered as suggested amounts only. RUS recommends that you consider analyzing your actual needs in detail before you obtain coverage in a specific amount.
 - b. Workers' Compensation - In accordance with appropriate State laws.
 - c. Position Fidelity Bond(s) - All positions occupied by persons entrusted with the receipt and/or disbursement of funds must be bonded. As a good business practice you will probably wish to have each position bonded in an amount equal to the maximum amount

of funds to be under the control of that position at any one time. During the construction phase of your project, this maximum amount will be much greater than normal; therefore, it is our recommendation that you temporarily increase your coverage to \$914,000. Once construction is complete, you may decrease the amount of your coverage. Please note that the cost of the temporary increase in coverage is an eligible project cost. The minimum coverage acceptable to RUS once your project is in operation will be for each position to be bonded for an amount at least equal to one annual installment on your loan(s).

- d. National Flood Insurance - In addition to meeting the requirements for the type of assistance requested, the following requirements must be met for financial assistance for acquisition and/or construction in designated special flood or mudslide prone areas:
- (1) If flood insurance is available, you must purchase a flood insurance policy at the time of loan closing.
 - (2) Applicants whose buildings, machinery or equipment are to be located in community which has been notified as having special flood or mudslide prone areas will not receive financial assistance where flood insurance is not available.
- e. Real Property Insurance - Prior to the acceptance of the facility from the contractor(s), you must obtain real property insurance (fire and extended coverage) on all above-ground structures, to include machinery and equipment housed therein. This does not apply to water reservoirs, standpipes, elevated tanks or noncombustible materials used in treatment plants, clearwells, filters and the like. ~~etc.~~

12. Contract Documents, Final Plans and Specifications -

- a. The contract documents should consist of the following:
- (1) EJCDC Document No. 1910-8-A-1-FA, 1997 Edition, "Standard Form of Agreement between Owner and Contractor on the Basis of Stipulated Price" and EJCDC Document No. 1910-8-FA, "Standard General Conditions of the Construction Contract - Funding Agency Edition" and Attachments. The EJCDC document is issued under copyright and cannot be provided by RUS.
 - (2) "RUS Supplemental General Conditions."

RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Projects with RUS Financial Assistance," is enclosed for use by your engineer in the preparation of the contract documents (Attachment No. 7).

- b. The contract documents must provide, as a minimum, the following insurance:

- (1) Liability Insurance - Personal Liability - \$500,000; Property Damage - \$200,000 - \$200,000. This coverage must include indemnification of the Town and its engineer. RUS Bulletin 1780-13, Attachment 9, suggests certain limits of liability for insurance coverage. Those limits should be considered as minimum requirements only. It is recommended you

consider increasing the given limits of liability after analyzing your specific needs.

- (2) Builder's Risk Insurance - On all structures and mechanical and electrical equipment in place or stored on the site to the full insurable value thereof.
 - (3) Workers' Compensation - In accordance with applicable State laws.
- c. The contract documents and final plans and specifications must be submitted to RUS for approval.
 - d. The project must be designed in compliance with Section 504 of the Rehabilitation Act of 1973.
13. State Prevailing Wage Law - You should ensure that all requirements of Article 5A of the West Virginia State Prevailing Wage Law, "Wages for Construction of Public Improvements" are met during construction of the project.
14. Interim Financing - Interim financing will be used for the RUS loan if it is available at reasonable rates and terms. You must provide RUS with a copy of the tentative agreement reached in connection with interim financing. A copy of the proposed agreement should be provided for RUS review. A Sample Credit Agreement is attached for your use in meeting this requirement (Attachment No. 13).
15. Disbursement of Funds - The RUS funds will be advanced as they are needed in the amount(s) necessary to cover the RUS proportionate share of any disbursements required of your Town, over 30 day periods. Any grant funds not disbursed immediately upon receipt must be deposited in an interest bearing account.

Public Bodies – Interest earned on grant funds in excess of \$100 per year will be submitted to RUS at least quarterly as required in 7 CFR 3016.

The Town will establish a separate fund, to be known and hereafter referred to as the Construction Account, with a lending institution insured by the Federal Deposit Corporation. The account shall be used solely for the purpose of paying the costs of the project as outlined in the construction budget. All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of funds expected to be deposited in the Construction Account. All deposits in excess of \$100,000 will be secured by a collateral pledge in accordance with Treasury Circular Number 176.

The Town must assure that all project funds are expended only for the eligible items included in the final project budget or as may be later approved by RUS.

16. At a properly called meeting, you must adopt and properly execute the following forms, and minutes showing the adoption must be provided:

Form RD 442-7 - "Operating Budget"
 Form RD 1940-1 - "Request for Obligation of Funds"
 RUS Bulletin 1780-12 - "Water or Waste System Grant Agreement"
 RUS Bulletin 1780-27 - "Loan Resolution (Public Bodies)"
 Form RD 400-1 - "Equal Opportunity Agreement"
 Form RD 400-4 - "Assurance Agreement"
 Form AD 1047 - "Certification Regarding Debarment - Primary"
 Form AD 1049 - "Certification Regarding Drug-Free Workplace"
 Form RD 1910-11 - "Applicant Certification, Federal Collection Policies"
 FmHA Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans"
 Standard Form LLL - "Disclosure of Lobbying Activities" (If Applicable)
 Certification of Compliance
 Form RD 1942-46, "Letter of Intent to Meet Conditions"

17. The enclosed Water and Waste Processing Checklist (Attachment No. 2) outlines the items needed to complete the loan and grant docket. All the items listed must be included in the loan and grant docket when it is forwarded to the USDA - Rural Development State Office with a request for loan closing instructions to be issued.
18. Upon receipt of the loan and grant docket, which contains all the items required above, RUS may authorize you to advertise the project for construction bids. Such advertisement must be in accordance with appropriate State statutes. Immediately after bid opening you must provide RUS with (a) a bid tabulation, (b) recommendations from you and your engineer as to the acceptability of the bids received, and (c) your recommendations for contract awards. If all parties then agree the construction bids received are acceptable, it is determined that adequate funds are available to cover the total facility costs, and that all the administrative conditions of loan approval have been satisfied, loan closing instructions will be issued. The closing instructions, a copy of which will be forwarded to you, will set forth any further requirements that must be met before the loan can be closed. When all parties agree that the closing requirements can be met, a mutually acceptable date for the loan closing will be scheduled.

The "RUS Policy Regarding Use of Remaining Funds" is attached for your information and use (Attachment No. 14). This policy should be adhered to when addressing the use of bid underrun funds, as well as any funds remaining after project construction is complete.

Any applicant contribution shall be considered as the first funds expended. After providing for all authorized costs, any remaining RUS project funds will be considered to be RUS grant funds and refunded to RUS. If the amount of unused RUS project funds exceeds the RUS grant, that part would be RUS loan funds. RUS loan funds and would be applied as an extra payment toward the loan balance.

If the conditions set forth in this letter are not met within twelve (12) months from the date hereof, RUS reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of loan closing within the twelve-month period and it is determined the authority still wishes to proceed, it will be necessary that the proposed budget be reviewed again in detail. If during that review, it is determined the budget is no longer current and/or adequate, RUS reserves the right to require that it be revised or replaced.

We believe the information herein clearly sets forth the actions which must be taken; however, if you have any questions, please do not hesitate to contact me.

Sincerely yours,


JENNY N. PHILLIPS
State Director

Enclosures

cc: Rural Development Specialist
Beckley, WV

Michael D. Griffith
Griffith & Associates
950 Little Coal River Road
Alum Creek, WV 25003

Attorney

Woolpert LLP
340 MacCorkle Ave., SE
South Charleston, WV 25314-1100

Stephoe & Johnson
P.O. Box 1588
Charleston, WV 25326-1588

Attachment No. 1 to Letter of Conditions
 For: Town of Pineville
 Date: April 6, 2004

Project Construction Budget

<u>PROJECT COST</u>	<u>OTHER SOURCE</u>	<u>RUS Loan</u>	<u>RUS GRANT</u>	<u>TOTAL</u>
CONSTRUCTION		\$ 975,300	\$ 1,309,800	\$ 2,285,100
CONST. CONTINGENCY		\$ 58,000	\$ 79,000	\$ 137,000
LAND & RIGHTS		\$ 15,000	\$ 20,000	\$ 35,000
LEGAL FEES		\$ 9,800	\$ 13,050	\$ 22,850
BOND COUNSEL		\$ 6,400	\$ 8,600	\$ 15,000
ACCOUNTING		\$ 2,000	\$ 2,000	\$ 4,000
ENGINEERING FEES		\$ 136,700	\$ 183,500	\$ 320,200
Basic - \$	176,200			
Insp. - \$	109,000			
Special - :	35,000			
INTEREST				\$ -
ADMINISTRATION		\$ 122,350		\$ 122,350
PERMITS		\$ 4,300	\$ 5,700	\$ 10,000
PROJECT CONTG.		\$ 28,650	\$ 38,750	\$ 67,400
TOTAL	\$ -	\$ 1,358,500	\$ 1,660,400	\$ 3,018,900

Rates

Available for general domestic, commercial, and industrial service.

First	2000	gallons @	\$ 9.00	per M gallons
Next	8000	gallons @	\$ 7.85	per M gallons
Next		gallons @		per M gallons
Next		gallons @		per M gallons
Next		gallons @		per M gallons
Over	10000	gallons @	\$ 6.70	per M gallons

Minimum Charge

No bill shall be rendered for less than the following amounts according to the size of meter installed:

5/8" x 3/4"	meter	\$ 18.00	per month
3/4"	meter	\$ 27.00	per month
1"	meter	\$ 45.00	per month
1 1/2"	meter	\$ 90.00	per month
2"	meter	\$ 144.00	per month
3"	meter	\$ 270.00	per month
4"	meter	\$ 450.00	per month
6"	meter	\$ 900.00	per month
8"	meter	\$ 1,440.00	per month

Minimum Monthly Bill \$18.00 for 2000 gallons

Delayed Payment Penalty

The above tariff is net. On all accounts not paid in full within twenty (20) days of date of bill, ten percent (10%) will be added to net amount shown.

If any bill is not paid within sixty (60) days after date, water service to the customer will be discontinued. Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a reconnection charge have been paid.

Connection Charge

Prior to Construction - \$100.00

After the start of construction, there shall be a charge of \$350.00 for connection to the system.

Reconnection Charge

\$25.00

Use and Income Analysis - See Attached

Cash Flow Analysis - See Attached

Town of Pineville
OPERATING BUDGET

OPERATING INCOME	
Metered Sales	536335
Penalties	11938
Other Income	51
Reconnect Fees	
TOTAL OPERATING INCOME	<u>\$ 548,324</u>
NON OPERATING INCOME	
Interest income	
TOTAL NON OPERATING INCOME	<u>\$ -</u>
TOTAL INCOME	<u>\$ 548,324</u>
EXPENSES	
O & M	316876
Taxes	11839
TOTAL EXPENSES	<u>\$ 328,715</u>
INCOME AVAILABLE FOR D/S (A)	<u>\$ 219,609</u>
DEBT SERVICE	
Existing Bond P & I (B)	114840
Proposed Bond P & I (B)	74826
TOTAL DEBT SERVICE	<u>\$ 189,666</u>
DEBT SERVICE RESERVE	
Debt Service Reserve*	18967
TOTAL DEBT SERVICE RESERVE	<u>\$ 18,967</u>
SURPLUS (DEFICIT)	<u><u>\$ 10,976</u></u>
DEBT COVERAGE (A/B)	\$ 1.16

Attachment No. 1 to Letter of Conditions
 For: Town of Pineville
 Date:

Town of Pineville
 USE AND INCOME ANALYSIS
 EXISTING and 86 New Customers

Blocking	Cust.	Gal/ Mo.	Minimum Bills	First	Next	Next	Next	Next	Next	Over	TOTAL
				2,000	8,000	10,000	30,000	50,000	200,000		REVENUE
0 - 2000	383	380.30	6,894								
1" Min.	4	15.60	180								
2" Min.	5	99.10	720								
2001-10000	856	3,490.82		1,712.00	1,778.80						
10001-20000	28	388.00		56.00	224.00	108.00					
20001-50000	16	495.70		32.00	128.00	160.00	175.70				
50001-100000	4	277.30		8.00	32.00	40.00	120.00	77.30			
100001-200000											
Over 200000											
Monthly Total	1,296.00	5,146.82	7,794.00	1,808.00	2,162.80	308.00	295.70	77.30			
Proposed Rates				\$ 9.00	\$ 7.85	\$ 6.70	\$ 6.70	\$ 6.70			
Monthly Revenues			\$ 7,794.00	\$ 16,272.00	\$ 16,977.98	\$ 2,063.60	\$ 1,981.19	\$ 517.91			\$ 45,606.68
Annual Revenues			\$ 93,528.00	\$ 195,264.00	\$ 203,735.76	\$ 24,763.20	\$ 23,774.28	\$ 6,214.92			\$ 547,280.16

Correction Factor Applied to the Annual Revenue (.9800) Yields Annual Total of \$ 536,335

Attachment No. 2 to Letter of Conditions
 For: Town of Pineville
 Date: April 6, 2004

UNITED STATES DEPARTMENT OF AGRICULTURE
 RURAL UTILITIES SERVICE
 Water and Waste Processing Checklist

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
SF 424.2	Application for Federal Assistance	3	1780.31(b)	Applicant		HAVE	3
Bulletin 1780-22	Public Notice of Intent to File App./ Env. Notice	3	1780.19(a) 1794	Applicant		HAVE	3
	Applicant Eligibility Certification/ Other Credit Certification	1	1780.33(d)	Applicant		HAVE	3
	Bond Ordn. or Resol. On Outstanding Debts	1	1780.33(e)	Applicant/ Attorney			5
	Bonds or Notes Outstanding Debt	1	1780.33(e)	Applicant/ Attorney			2
	Audit for last year of operation	1	1780.33(e)	Applicant/ Accountant			1
	Staff Review Financial Statements	1	S.I. 1780.2	RUS			1
EJCDC No. 1910-1-FA	Agreement between Owner & Engineer	3	1780.39(b)	Applicant/ Engineer		HAVE	6
Bulletin 1780-7 or other approved	Legal Services Agreement with Local Attorney	3	1780.39 (b)(2)	Applicant/ Attorney			5

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Site Visit		S.I. 1780-2	RUS			3
	Processing Conference	1	1780.39(a)	RUS			3
	Environmental Report	2	1794	Applicant		HAVE	3
	Environmental Assessment	2	1794	RUS/ Engineer		HAVE	3
	FONSI/ Evidence of Publication	1	Exhibit 1 RUS 1794 News Ad	RUS/ Applicant		HAVE	3
Bulletins 1780-2 1780-3	Preliminary Engineering Report	2	1780.33(c)	Engineer		HAVE	6
	Staff Engineer PER Review	1	1780.33(c)	RUS			3
	Bill Analysis for existing system(s)	2	1780.33(c)	Applicant/ Engineer		HAVE	8
	Projected Bill Analysis for New Users	2	1780.33(c)	Applicant/ Engineer		HAVE	8
	Statement reporting the <u>total number</u> <u>of potential</u> users		1780.33(c)	Applicant/ Engineer		HAVE	8
	Copy of Existing Rate Tariff	2	1780.33	Applicant		HAVE	8
	Applicant's IRS Tax Number(TIN)	1	1780.33(g)	Applicant		HAVE	3

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Agency Determination on the Availability of "Other Credit" with Documentation	1	1780.7(d)	RUS		HAVE	3
	Documentation on Service Area	1	1780.11	RUS		HAVE	3
Bulletin 1780-1	Project Selection Criteria	2	1780.17	RUS		HAVE	1
Automated Form	Grant Determination	3	1780.35(b)	RUS		HAVE	2
	Letter of Conditions	7	1780.41 (a)(5)	RUS		HAVE	3
AD 1049	Certification Regarding Drug-Free Workplace	1	1780.33(h)	Applicant		HAVE	5
	Minutes Adopting Drug-Free Workplace Program	1	LOC	Applicant			5
Exhibit A / A-1	Certifications Regarding Lobbying	2	1780.33(h)	Applicant		HAVE	2
CPAP Form	Project Summary	3	1780.41(a)	RUS		HAVE	1
RD 442-7	Operating Budget	3	1780.33(h)	Applicant		HAVE	3
CPAP Form	Project Fund Analysis	3	1780.41(a)	RUS		HAVE	2
RD 1940-1	Request for Obligation of Funds	4	1780.41(a)	RUS/ Applicant		HAVE	2
Bulletin 1780-12	Association Water or Sewer System Grant Agreement	2	1780.45(c)	RUS/ Applicant		HAVE	2

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
RD 1942-46	Letter of Intent to Meet Conditions	2	1780.41 (a)(6)	Applicant		HAVE	3
AD 1047	Certification Regarding Debarment (Primary)	1	1780.33(h)	Applicant		HAVE	5
	Relationships/Associations with Agency Employees	1	1780.1(f)	RUS		HAVE	3
RD 1910-11	Applicant Certification, Federal Collection Policies	1	1780.33(h)	Applicant		HAVE	3
Bulletin 1780-27	Loan Resolution	1	1780.45 (a)(2)	Applicant		HAVE	5
RD 400-1	Equal Opportunity Agreement	1	1901-E	Applicant		HAVE	6
RD 400-4	Assurance Agreement	1	1901-E	Applicant		HAVE	3
	Legal Services Agreement with Bond Counsel	1	1780.39 (b)(3)	Applicant/ Bond Counsel			5
	Agreement for Accounting Services	1	1780.39 (b)(2)	Applicant/ Accountant			5
	Water Users Agreement (Copy)	1	1780.39 (c)(3)	Applicant			5
	Exception for Metering Devices	1	1780.57(m)	Applicant/ RUS		HAVE	5

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Evidence of Users:						
	1. Map of Users with each identified by number	1	LOC	Applicant			Separate File
	2. List of Signed Users Numbered to Map	1	LOC	Applicant			5
	3. List of Declination Statements Numbered to Map	1	LOC	Applicant			5
	4. Evidence of Tap Fees Being Paid	1	LOC	Applicant			5
	5. Having Users Agreements and Declination Statements Available		LOC	Applicant			
	6. Certification Relative to Existing Users	1	LOC	Applicant			5
	Verification of Users	1	1780.44(b)	RUS			3
	Accountant's Certification	1	LOC	Applicant/ Accountant			3
	RUS Review of Accounting Records	1	S.I. 1780-4 (1)(ii)	RUS			3
	Copy of PSC Rule 42 Exhibit	1	State	Attorney/ Accountant			3
Lender Agreement/ Bulletin 1780-10/ 1780-10a	Interim Financing Documenta- tion	1	1780.39(d)	Applicant/ RUS		N/A	1

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	DOH Permit	1	1780.15(d)	Applicant			6
	Railroad Permit	1	1780.15(d)	Applicant			6
	Public Land Corp. Permit	1	1780.15(d)	Applicant			6
	Corps of Engineers Permit	1	1780.15(d)	Applicant			6
	Dept. of Health Approval	1	1780.15(d)	Engineer			6
	Dept. of Environmental Protection Permit	1	1780.15(d)	Engineer			6
	Contract Documents, Plans & Specifications	2	1780.61(a)	Engineer			Separate File
	Agency Determination on Procurement	1	1780.70(d)	RUS			6
	Preliminary Bond Transcript Documents w/o Defeasance Provisions	2	1780.83	Bond Counsel			5
	Right-of-Way Map	1	1780.44(g)	Engineer			Separate File
	Deeds and/or Options		1780.44.(g)	Applicant/ Attorney			5
RD 1927-9	Preliminary Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
	Narrative Opinion from Attorney	1	1780.44(g)	Attorney			5
	Waiver of Title Defects Letter	1	1780.44(g)	RUS			5

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
RD 442-22	Opinion of Counsel Relative to R/Ways		1780.44 (g)(1)	Attorney			5
	Review of Outstanding Judgment	1	1780.7(g)	RUS/ Attorney			3
	Evidence of "Other Funds"	1	1780.44(f)	Applicant			2
	Evidence of Applicant Contribution	1	1780.44(f)	Applicant			2
SF 3881	Electronic Funds Transfer Payment Enrollment Form	1	31 CFR 208	Applicant/ Financial Institution			2
	Positive Program to Encourage Connections when Completed	1	1780.39 (c)(5)	Applicant			5
	Documentation Relative to Health or Sanitary Hazards	1	1780.1 (c)(1) 1780.13 (b)(1)	RUS/State Health Department			2
	PSC Approval	1	1780.15(b)	Applicant/ Attorney			6
	PSC Approval of Engineering Agreement	1	LOC	Engineer			6
	Bid Tabulation	1	1780.61(b)	Engineer			6
	OGC Closing Instructions	1	1780.44(h)	RUS			5
	S/O Closing Instructions	1	1780.44(h)	RUS			5

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
RD 1927-10	Final Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
	Bond Transcript Documents w/o Defeasance Provisions	3	1780.83	Bond Counsel			Separate File
RD 400-8	Compliance Review	1	1780.44(c)	RUS			5
	Liability Insurance	1	1780.39(g)	Applicant			7
	Workers' Compensation Certificate	1	1780.39(g)	Applicant			7
	Flood Insurance Policy	1	1780.39(g)	Applicant			7
440-24	Fidelity Bond	1	1780.39(g)	Applicant			7
1924-16	Record of Pre-Construction Conference	1	1780.76(a)	RUS/ Engineer			6
AD 1048	Certification Regarding Debarment (Contractor)	1 each	1780.33(h)	All Appropriate Vendors			5
	OGC Final Opinion	1	1780.45(g)	RUS			5

WATER OR WASTE SYSTEM GRANT AGREEMENT
UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

THIS AGREEMENT dated April 6, 2004 between

Town of Pineville

a public corporation organized and operating under

Chapter 8 Article 19, West Virginia Code
(Authorizing Statute)

herein called "Grantee," and the United States of America acting through the Rural Utilities Service, Department of Agriculture, herein called "Grantor," WITNESSETH:

WHEREA

Grantee has determined to undertake a project of acquisition, construction, enlargement, or capital improvement of a (water) (sewer) system to serve the area under jurisdiction at an estimated cost of \$ 3,018,900.00 and has duly authorized the undertaking of such project.

Grantee is able to finance not more than \$ 1,358,500.00 of the development cost through revenues, charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge

Said sum of \$ 1,358,500.00 has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed \$ 1,660,400.00 or 55.00% percent of said development costs, whichever is the lesser, subject to the terms and conditions established by the Grantor. Provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the conditions of the grant.

As a condition of this grant agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the agreement with all applicable laws, regulations, Executive orders and other generally applicable requirements, including those set out in 7 CFR 3015.205(b), which hereby are incorporated into this agreement by reference, and such other statutory provisions as are specifically set forth herein.

NOW, THEREFORE, In consideration of said grant by Grantor to Grantee, to be made pursuant to Section 306 (a) of the Consolidated Farm and Rural Development Act the purpose only of defraying a part not to exceed 55.00% percent of the development costs, as defined by applicable Rural Utilities Service Instructions.

GRANTEE AGREES THAT GRANTEE WILL:

A. Cause said project to be constructed within the total sums available to it, including said grant, in accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.

B. Permit periodic inspection of the construction by a representative of Grantor during construction.

C. Manage, operate and maintain the system, including this project if less than the whole of said system, continuously in an efficient and economical manner.

D. Make the services of said system available within its capacity to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental handicap (possess capacity to enter into legal contract for services) at reasonable charges, including assessments, taxes, or fees in accordance with a schedule of such charges, ~~whether for one or more classes~~ * as approved by the West Virginia Public Service Commission. ~~of service adopted by resolution dated xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx~~ as may be modified from time to time by Grantee. The initial rate schedule must be approved by Grantor. Thereafter, Grantee may make such modifications to the rate system as long as the rate schedule remains reasonable and nondiscriminatory.

E. Adjust its operating costs and service charges from time to time to provide for adequate operation and maintenance, emergency repair reserves, obsolescence reserves, debt service and debt service reserves.

F. Expand its system from time to time to meet reasonably anticipated growth or service requirements in the area within its jurisdiction.

G. Provide Grantor with such periodic reports as it may require and permit periodic inspection of its operations by a representative of the Grantor.

H. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, another agreement of the same type need not be executed in connection with this grant.

I. Upon any default under its representations or agreements set forth in this instrument, Grantee, at the option and demand of Grantor, will repay to Grantor forthwith the original principal amount of the grant stated herein above with the interest at the rate of 5 percentum per annum from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made.

J. Return immediately to Grantor, as required by the regulations of Grantor, any grant funds actually advanced and not needed by Grantee for approved purposes.

K. Use the real property including land, land improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed.

1. Title to real property shall vest in the recipient subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.

2. The Grantee shall obtain approval by the Grantor agency for the use of the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

3. When the real property is no longer needed as provided in 1 and 2 above, the Grantee shall request disposition instructions from the Grantor agency or its successor Federal agency. The Grantor agency shall observe the following rules in the disposition instructions:

(a) The Grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original project to the fair market value of the property.

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor agency. When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

[Revision 1, 04/17/1998]

(c) The Grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or project to the current fair market value of the property.

This Grant Agreement covers the following described real property (use continuation sheets as necessary).

All that real property associated with the construction of the water extension and upgrade, including above ground structures such as pump stations, water storage tanks and appurtenances thereto.

L. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with grant funds. Equipment means tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A Grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.

[Revision 1, 04/17/1998]

1. Use of equipment.

(a) The Grantee shall use the equipment in the project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the equipment in connection with its other Federally sponsored activities, if any, in the following order of priority:

(1) Activities sponsored by the Grantor.

(2) Activities sponsored by other Federal agencies.

(b) During the time that equipment is held for use on the project for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the equipment was originally acquired. First preference for such other use shall be given to Grantor sponsored projects. Second preference will be given to other Federally sponsored projects.

2. Disposition of equipment. When the Grantee no longer needs the equipment as provided in paragraph (a) above, the equipment may be used for other activities in accordance with the following standards:

(a) Equipment with a current per unit fair market value of less than \$5,000. The Grantee may use the equipment for other activities without reimbursement to the Federal Government or sell the equipment and retain the proceeds.

(b) Equipment with a current per unit fair market value of \$5,000 or more. The Grantee may retain the equipment for other uses provided that compensation is made to the original Grantor agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value or proceeds from sale of the equipment. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the original Grantor agency.

The Grantor agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by the Grantor agency to determine whether a requirement for the equipment exists in other Federal agencies. The Grantor agency shall issue instructions to the Grantee no later than 120 days after the Grantee requests and the following procedures shall govern:

(1) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the equipment and reimburse the Grantor agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share ten percent of the proceeds, for Grantee's selling and handling expenses.

(2) If the Grantee is instructed to ship the equipment elsewhere the Grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.

(3) If the Grantee is instructed to otherwise dispose of the equipment, the Grantee shall be reimbursed by the Grantor agency for such costs incurred in its disposition.

3. The Grantee's property management standards for equipment shall also include:

(a) Records which accurately provide for: a description of the equipment; manufacturer's serial number or other identification number; acquisition date and cost; source of the equipment; percentage (at the end of budget year) of Federal participation in the cost of the project for which the equipment was acquired; location, use and condition of the equipment and the date the information was reported; and ultimate disposition data including sales price or the method used to determine current fair market value if the Grantee reimburses the Grantor for its share.

(b) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years to verify the existence, current utilization, and continued need for the equipment.

(c) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented.

(d) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(e) Proper sales procedures shall be established for unneeded equipment which would provide for competition to the extent practicable and result in the highest possible return.

This Grant Agreement covers the following described equipment (use continuation sheets as necessary).

M. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.
2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.
3. Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.
4. Accounting records supported by source documentation.

N. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after grant closing except that the records shall be retained beyond the three-year period if audit findings have not been resolved. Microfilm or photo copies or similar methods may be substituted in lieu of original records. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee's government which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts and transcripts.

O. Provide information as requested by the Grantor to determine the need for and complete any necessary Environmental Impact Statements.

P. Provide an audit report prepared in accordance with Grantor regulations to allow the Grantor to determine that funds have been used in compliance with the proposal, any applicable laws and regulations and this Agreement.

Q. Agree to account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government. States and agencies or instrumentality's of states shall not be held accountable for interest earned on grant funds pending their disbursement.

R. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in item K above.

S. To include in all contracts for construction or repair a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR, Part 3). The Grantee shall report all suspected or reported violations to the Grantor.

T. To include in all contracts in excess of \$100,000 a provision that the contractor agrees to comply with all the requirements of the Clean Air Act (42 U.S.C. §7414) and Section 308 of the Water Pollution Control Act (33 U.S.C. §1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 of the Clean Air Act and Section 308 of the Water Pollution Control Act and all regulations and guidelines issued thereunder after the award of the contract. In so doing the Contractor further agrees:

[Revision 1, 11/20/1997]

1. As a condition for the award of contract, to notify the Owner of the receipt of any communication from the Environmental Protection Agency (EPA) indicating that a facility to be utilized in the performance of the contract is under consideration to be listed on the EPA list of Violating Facilities. Prompt notification is required prior to contract award.

2. To certify that any facility to be utilized in the performance of any nonexempt contractor subcontract is not listed on the EPA list of Violating Facilities pursuant to 40 CFR Part 32 as of the date of contract award.

[Revision 1, 11/20/97]

3. To include or cause to be included the above criteria and the requirements in every nonexempt subcontract and that the Contractor will take such action as the Government may direct as a means of enforcing such provisions.

As used in these paragraphs the term "facility" means any building, plan, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by a Grantee, cooperator, contractor, or subcontractor, to be utilized in the performance of a grant, agreement, contract, subgrant, or subcontract. Where a location or site of operation contains or includes more than one building, plant, installation, or structure, the entire location shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are co-located in one geographical area.

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed \$ 1,660,400.00 which it will advance to Grantee to meet not to exceed 55.0% percent of the project development costs of the project in accordance with the actual needs of Grantee as determined by Grantor.

B. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the project and coordinating the plan with local official comprehensive plans for sewer and water and with any State or area plans for the area in which the project is located.

C. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

Termination of This Agreement

This Agreement may be terminated for cause in the event of default on the part of the Grantee as provided in paragraph I above or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the project will not produce beneficial results commensurate with the further expenditure of funds.

In witness whereof Grantee on the date first above written has caused these presence to be executed by its duly authorized

Mayor

and attested and its corporate seal affixed by its duly authorized

Recorder

Attest:

Town of Pineville

By: Kathleen Bolt
KATHLEEN BOLT

(Title) Recorder

By: Tim Ellison
Tim Ellison

(Title) Mayor

UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By: TERESA A. MILLER
TERESA A. MILLER

Rural Development Specialist
(Title)

07-1790-W-CN **State of West Virginia**
ICE OF ENVIRONMENTAL HEALTH SERVICES

TREETS

1 DAVIS SQUARE, SUITE 200
TELEPHONE 304-558-2981

CHARLESTON, WEST VIRGINIA 25301

(Water)

PERMITPROJECT: Glover-Mullensville-Ramey Addition-Wyoming Water Line
And Water Plant Upgrade

PERMIT NO.: 17,696

LOCATION: Pineville

COUNTY: Wyoming

DATE: 9-14-2007

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

Town of Pineville
P. O. Box 220
Pineville, West Virginia 24874

is hereby granted approval to: install approximately 28,600 LF of 8", 4,000 LF of 3" and 1,700 LF of 2" water lines; one (1) 100,000 gallon water storage tank; and all necessary valves, controls and appurtenances. The Town of Pineville existing 700 G.P.M. water treatment plant upgrades will consist of the replacement of the Gayandotte River raw water pump station pumps with two (2) new 700 G.P.M. pumps ; new chemical feed lines and mixing manhole; replacement of the existing pre-sedimentation basins with two (2) 30 feet diameter clarifiers with solids removal equipment; all new chlorine equipment and accessories; replacement of the existing filters with two (2) 350 G.P.M. absorption clarifiers/mixed media filters; a new waste sump; installation of continuous monitoring equipment for turbidity, chlorine residual and pH; repairs to the portions of the electrical system; new lighting in the filter room; and all necessary piping, valves, control and appurtenances.

The new water distribution system will serve approximately 206 customers in Mullensville, Ramey Addition, Glover and Wyoming areas. The Town of Pineville water treatment plant serves the Town of Pineville and surrounding environs.

NOTE: This permit is contingent upon: 1) All new water line and water storage tank being disinfected, flushed and bacteriologically tested, prior to use; and 2) Maintaining a minimum ten (10) feet horizontal separation between sewer and water lines, and a minimum 18" vertical separation between crossing sewer and water lines, with the water line to be above the sewer line.

The Environmental Engineering Division of the OEHS Beckley District Office (304) 256-6666 is to be notified when construction begins.

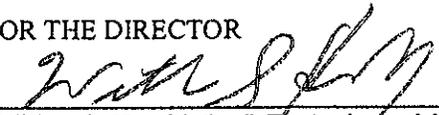
Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

RECEIVED

2007 SEP 24 AM 9 14

WVA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

FOR THE DIRECTOR


 William S. Herold, Jr., P.E., Assistant Manager
 Infrastructure and Capacity Development
 Environmental Engineering Division

WSH:emt

Woolpert, Inc.
 James W. Ellars, P.E., PSC-Engineering Division
 Amy Swann, PSC-Water and Wastewater Division
 Wyoming County Health Department
 OEHS-EED Beckley District Office





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.wv.gov

September 14, 2007

The Honorable Michael Albert, Chairman
West Virginia Public Service Commission
210 Brooks Street
Charleston, West Virginia 25301

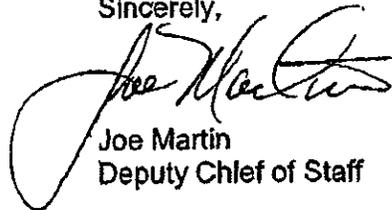
Re: Upgrade to the Town of Pineville's water plant

Dear Chairman Albert:

This office has reviewed the request from the Town of Pineville for the proposed upgrade to the town's water plant, and has agreed to make available the necessary \$1.4 million needed for this project.

If you need additional information, please do not hesitate to let me know.

Sincerely,


Joe Martin
Deputy Chief of Staff

JM/lc

WEST VIRGINIA DEVELOPMENT OFFICE INFRASTRUCTURE FUND

GRANT PROGRAM CONTRACT

between the

WEST VIRGINIA DEVELOPMENT OFFICE

and the

TOWN OF PINEVILLE

THIS AGREEMENT, entered into this 1st day of July, 2007 by the West Virginia Department of Finance and Administration on behalf of the West Virginia Development Office hereinafter called the "WVDO" and the Town of Pineville and its authorized officers, agents, and representatives, hereinafter called the "Grantee."

WITNESS THAT:

WHEREAS, the WVDO has promised and agreed to assist the Grantee to perform such tasks hereafter described in the scope of services, which is to be partially financed by funds made available through the West Virginia Development Office Infrastructure Fund program.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. **Assistance of the Grantee.** The WVDO hereby agrees to assist the Grantee including all authorized officers, agents, and representatives, to perform such tasks and functions as set forth below in the scope of services.

2. **Scope of Services.** The Grantee, or its designated agent, shall do, perform and carry out, in a satisfactory and proper manner as determined by the WVDO, and appropriate regulatory agencies, if required, all duties, tasks, and functions necessary to upgrade and replace a portion of the water distribution system and to upgrade to the treatment plant as described in more detail in the project application.

3. **Personnel.** The Grantee represents that it has, or will secure at its own expense, personnel with the necessary qualifications and experience required to perform the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with WVDO.

4. **Time Performance.** The Grantee will commence its duties under this Contract on July 1, 2007¹ and such duties shall be undertaken and completed in such sequences as to assure their expeditious completion in the light of the purpose of the Contract; but, in any event, all of the services required hereunder shall be completed by June 30, 2008. The completion date of this contract may only be extended by mutual written agreement of both parties dependent on the reappropriation of funds under the West Virginia Development Office Infrastructure Fund program. If no such agreement exists, the Grantee shall not receive payment for services rendered or work performed relative to this grant after June 30, 2008.

5. **Compensation.** In consideration of the services rendered by the Grantee, the WVDO agrees to pay the Grantee the sum of \$1,400,000.00. This amount constitutes complete compensation for all services rendered. In no instance shall the agreed upon compensation exceed \$1,400,000.00 without the written consent of the Governor of the State of West Virginia.

6. **Method of Payment.** In order to receive payments under the terms of this Agreement, the Grantee shall submit the following: (a) a Letter of Transmittal containing a progress report, and (b) a Request for Payment Financial Report. The final ten percent shall be made available upon submission of certification of completion and acceptance of the project by the Grantee. Upon receipt of said documents, the WVDO shall review the same for reasonableness and appropriateness.

7. **Changes.** The WVDO and the Grantee may, from time to time, require changes in the scope of the services of the work to be performed hereunder. Such changes, including any increase or decrease in the amount of the Grantee's compensation and work to be performed, which are mutually agreed upon by and between the WVDO and the Grantee, shall be incorporated in written amendments to this Contract.

8. **Sub-Grantees and Reversion of Property.** The Grantee may administer funds on behalf of sub-grantees, provided that such a sub-grantee is certified as a nonprofit organization by the United States Internal Revenue Service and the West Virginia Secretary of State's Office. Should such a sub-grantee cease to exist, all commodities or supplies purchased with funds provided under the auspices of this Contract by or for the sub-grantee shall become the property of the Grantee.

9. **Competitive Bid Procedures.** Competitive bidding shall be pursued in all instances. The Grantee must follow the more stringent of either state or local purchasing regulations. The West Virginia Purchasing Division requirements, at a minimum, are as follows: Commodities and services expected to cost \$2,500 or less require no bids, however, competition is encouraged. Purchases between \$2,500.01 and \$5,000 require three verbal bids to be documented on a verbal bid quotation summary. Purchases \$5,000.01 to \$25,000 require three written bids.

The Grantee shall solicit competitive, sealed bids for commodities and supplies related to this project which have an estimated value of over \$25,000. Any attempts by the Grantee to segregate the project into sections having an estimated value of less than \$25,000 shall be cause for termination of this agreement under the provisions of Paragraph 28. These bids shall be obtained by public notice as a Class II legal advertisement in compliance with the provisions West Virginia Code §59-3. This notice shall be published by the Grantee in the newspaper with the largest circulation serving the general area once a week for two successive weeks preceding the final bid date.

The Grantee shall also, where feasible, solicit sealed bids by listing the project in the F. W. Dodge Reports, sending requests by mail to prospective suppliers or contractors, and by posting notice on a bulletin board in a public place. The Grantee shall have available upon request for review by the WVDO or its designated representative, bid documents and other evidence of compliance with these procedures.

10. **Project Wage Rates.** Every contract involving construction, reconstruction, demolition, improvement, enlargement, painting, decoration, alteration, and/or repair work which involves the employment of any contractor and/or subcontractor necessary for the undertaking and completion of this project, regardless of the source of funds utilized to pay such contract, must comply with the West Virginia Act on Wages on Construction of Public Improvements, West Virginia Code §21-5A. **This law applies to all construction contracts, regardless of cost.**

The receipt and utilization of funds procured under this agreement mandate that all construction contracts necessary for the undertaking and completion of this project, regardless of the source of funds utilized to pay such construction contracts, must comply with the provisions of West Virginia Code § 21-5A.

Such provisions shall include the payment of the Fair Minimum Wage Rates as determined by the West Virginia Commissioner of Labor for each craft or classification of all workmen needed to perform the contract in the locality in which the public work is performed. For projects involving federal funds which are covered by the provisions of the Davis Bacon Act (40 U.S.C. 276-a 276a-5), the Grantee shall cause the contractor and/or subcontractors to pay the higher wage rate, federal or state.

Further, the Grantee shall note this requirement in the advertisement for bids and print these wage rates on all bid documents. The Grantee shall also have available upon request for review by the WVDO or its designated representative, bid documents and other evidence of compliance including copies of contractor's payrolls.

11. **Construction.** The Grantee shall procure construction contracts in accordance with West Virginia Code §5-22-1. **The state and its subdivisions shall, except as provided in this section, solicit competitive bids for every construction project exceeding \$25,000 in total cost.**

Further, the receipt and utilization of funds procured under this agreement mandate that ALL CONSTRUCTION CONTRACTS NECESSARY FOR THE UNDERTAKING AND COMPLETION OF THIS PROJECT, regardless of the source of funds utilized to pay such construction contracts, must comply with the provisions of West Virginia Code § 21-5A.

The term construction shall mean any construction, reconstruction, improvement, enlargement, painting, decorating, or repair of any public improvement let to contract. These bids shall be obtained by public notice as a Class II legal advertisement in compliance with the provisions West Virginia Code §59-3. This notice shall be published by the Grantee in the newspaper with the largest circulation serving the general area once a week for two successive weeks preceding the final bid date.

Any contracts under this agreement must comply with the West Virginia Act on Wages on Construction of Public Improvements, West Virginia Code §21-5A. This law applies to all construction contracts, regardless of cost. The Grantee shall note this requirement in the advertisement for bids and print these wage rates on all bidding blanks.

The Grantee shall designate the time and place for opening such construction bids in accordance with West Virginia Code §5-22-2.

12. **Bonding.** The Grantee shall secure bonding in accordance with West Virginia Code §5-22-1. All bids submitted pursuant to this chapter shall include a valid bid bond or other surety as approved by the state of West Virginia or its subdivisions. Following the solicitation of such bids, the construction contract shall be awarded to the lowest qualified responsible bidder, who shall furnish a sufficient performance and payment bond: provided, that the state and its subdivisions may reject all bids and solicit new bids.

In the procurement of contracts or subcontracts for construction of less than \$100,000, the Grantee shall follow local or State requirements relating to bid guarantees, performance bonds, and payment bonds, provided that the Grantee's and State's interests are adequately protected and that such contracts can be executed in a timely manner.

In the procurement of contracts or subcontracts for construction that exceed \$100,000, the Grantee shall obtain the following:

(a) A bid guarantee from each bidder equivalent to five percent of the bid price. This bid guarantee shall consist of a firm commitment such as bid bond, certified check, or other negotiable instrument accompanying a bid that the bidder will, upon acceptance of the bid, execute the contractual documents as may be required with the time specified.

(b) A performance bond on the part of the contractor for 100 percent of the contract price. This performance bond shall be executed by the successful contractor in connection with the contract to secure fulfillment of the contractor's obligations under such contract.

(c) A payment bond on the part of the contractor for 100 percent of the contract price. This payment bond shall be executed in connection with a contract to assure payment is required by law of all persons supplying labor and materials in the execution of the work provided for in the contract.

13. **Architecture and Engineering.** The Grantee shall procure architectural or engineering services in accordance with of the West Virginia Code §5G. In the procurement of architectural and engineering services for projects estimated to cost \$250,000 or more, the Grantee shall publish a Class II legal ad in compliance with West Virginia Code §59-3. In the procurement of services for projects estimated to cost less than \$250,000, the Grantee shall conduct discussions with three or more professional firms.

14. **Design-Build.** The Grantee shall procure design-build projects in accordance with West Virginia Code §5-22A-1. This applies solely to building projects. Highways, water, sewer, and all other public works projects are specifically prohibited from using the design-build method.

15. **Environmental and Historical Assessment.** The Grantee shall comply with all applicable federal, state and local environmental and historical preservation laws and regulations. The Grantee acknowledges this requirement and certifies that the project will be in compliance with such laws and regulations.

16. **Equal Employment Opportunity.** With respect to employment in carrying out the program objectives, the Grantee agrees that it will not discriminate against any employee or applicant for employment because of race, color, age, religion, sex, national origin, or physical handicap.

17. **Facilities Accessible to the Handicapped.** The Grantee shall require any facilities constructed under the auspices of this Contract to be designed to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped," Number A117.1-1961, as modified (41CFR101-17.1703 and (13CFR309.14)). The Grantee shall be responsible for conducting inspections to ensure compliance with these specifications.

18. **Facilities Operation.** The Grantee shall operate and maintain all facilities constructed under the auspices of this Contract in accordance with minimum standards as may be required or prescribed by the applicable federal, state and local statute, law, ordinance or regulation as to actual construction procedures, as well as maintenance and operation of such facilities upon completion.

19. **Interest of Members of WVDO and Others.** No officer, member or employee of the WVDO or officer, member or employee of the Grantee who exercises any function or responsibilities in the review or approval of the undertaking or carrying out of this project, shall participate in any decision relating to this Contract which affects his personal interest or the interest of any corporation, partnership, or association in which he is directly or indirectly interested or has any personal or pecuniary interest, nor shall any officer, member of, or employee of, the Grantee or any member of its governing body, or officer, member, or employee of the contractor have any interest, direct or indirect, in this Contract or the proceeds thereof.

20. **Officials Not To Benefit.** No member of the Legislature of the State of West Virginia, or individual performing a service for the Grantee in connection with this project, shall be admitted to any share thereof or to any benefit to arise from this Agreement.

21. **Inspections of Project Records.** At any time during normal business hours and as often as the WVDO or its designated representative may deem necessary, there shall be made available to the WVDO or its designated representative for examination, all of its records with respect to all matters covered by this

Contract and permit the WVDO or its designated representative to audit, examine and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records and personnel, conditions of employment and other data relating to all matters covered by this Contract during the entire time period beginning with project approval and ending three years after the final disbursement of grant funds.

22. **Project Audits.** (a) The Grantee shall cause an audit of this program to be included in the audit of the Grantee performed by the West Virginia State Auditor's Office, Chief Inspection Division, or its designated representative in accordance with West Virginia Code §6-9-7. The audit shall be performed in conformance with generally acceptable accounting procedures.

(b) In accordance West Virginia Code §12-4-14, if the grantee is not audited by the West Virginia State Auditor's Office and the grantee received state funds or grants in the amount of fifteen thousand dollars or more, the grantee shall file an audit of the disbursement of funds with the legislative auditor's office. The audit shall be filed within two years of the disbursement of funds or grants by the grantee and shall be made by an independent certified public accountant at the cost of the corporation, association or other organization, and must show that the funds or grants were spent for the purposes intended when the grant was made. State funds or audits of state funds or grants under fifteen thousand dollars (\$15,000) may be authorized by the joint committee on government and finance to be conducted by the legislative auditor's office at no cost to the grantee.

23. **Reporting.** The Grantee shall submit any reports requested by the WVDO concerning financial status and program progress. Failure to provide such reports as required by WVDO in a timely manner shall be cause for termination of this Contract under the terms of Paragraph 7.

24. **Fiscal Management.** The Grantee shall be responsible for establishing and maintaining adequate procedures and internal financial controls governing the management and utilization of funds provided under this Contract, as well as funds provided as the Grantee's matching share.

25. **Political Activity.** No officer or employee of the Grantee whose principal employment is in connection with any activity which is financed in whole or in part pursuant to this agreement shall take part in any of the activities expressly prohibited by the Hatch Act.

26. **Repayment.** The Grantee shall refund to the State any expenditures determined to be made for an ineligible purpose for which State funds were received.

27. **Resolution of Disputes.** Resolution of disputes between the State and the Grantee concerning administrative and programmatic matters during the terms of this Agreement shall be initiated through consultation and discussion at the State's Administrative Offices with final decision on questions of policy or fact being determined by the Director of the Community Development Division or his/her designated representative. Nothing in this Agreement shall be construed as making the final decision on a question of law, or to limit in any manner any remedies or recourses available under applicable laws. Citizen's complaints or disputes regarding Grantee performance or actions relative to the approved project are the responsibility of the Grantee.

28. **Termination of Contract for Cause.** If, through any cause, the Grantee shall fail to fulfill in a necessary and proper manner his obligations under this Contract, or if the Grantee shall violate any of the covenants, agreements, or stipulations of this Contract, the WVDO shall thereupon have the right to terminate this Contract by giving written notice to the Grantee of such termination and specifying the effective date thereof,

at least fifteen days before the effective date of such termination. The Grantee shall be entitled to receive just and equitable compensation for any satisfactory work completed on the described project.

Notwithstanding the above, the Grantee shall not be relieved of liability to the WVDO for damages sustained by the WVDO by virtue of any breach of the Contract by the Grantee, and the WVDO may withhold any payments to the Grantee for the purpose of set-off until such time as the exact amount of damages due the WVDO from the Grantee is determined.

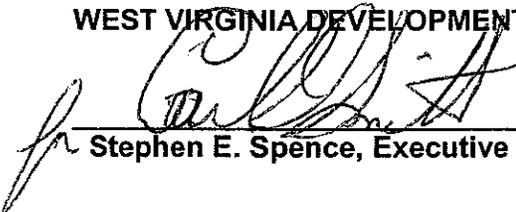
29. **Termination for Convenience of WVDO.** The WVDO may terminate this Contract at any time by giving written notice to the Grantee of such termination and specifying the effective date of termination. If the Contract is terminated by the WVDO as provided herein, the Grantee will be paid an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services of the Grantee covered by this Contract, less payments of compensation previously made.

30. **Termination by the Grantee.** The Grantee may unilaterally rescind this agreement at any time prior to the commencement of the project. After project commencement, this agreement may be rescinded, modified, or amended only by mutual agreement. A project shall be deemed commenced when the Grantee makes any expenditure or incurs any obligation with respect to the project.

31. **Signing.** This Contract shall be signed by the Executive Director of the West Virginia Development Office and by the Town of Pineville upon authorization of the Town Council by adoption and passage of a resolution, motion or similar official action.

IN WITNESS WHEREOF, the WVDO and the Grantee have executed this Agreement as of the date first above written.

**STATE OF WEST VIRGINIA
WEST VIRGINIA DEVELOPMENT OFFICE**



Stephen E. Spence, Executive Director

TOWN OF PINEVILLE



Tim Ellison, Mayor

Federal Employee Identification Number

55-6000877
F.E.I.N.

RESOLUTION

WHEREAS, the Town of Pineville, has been awarded a West Virginia Infrastructure Fund (WVIF) grant award for \$1,400,000 to be used as an emergency upgrade to its existing water plant; and

WHEREAS, the Town of Pineville must give assurances that the grant program regulations related to grant administration, civil rights, and other applicable State and Federal laws will be followed, and

WHEREAS, the Town of Pineville, as grantee, must designate an official representative to act in connection with the grant and execute all necessary program documents.

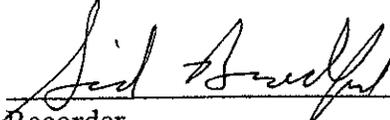
NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Town of Pineville authorized the acceptance and Mayor's signature to the West Virginia Development Office for funding to upgrade its existing water plant using Governor Manchin's West Virginia Infrastructure Fund.
2. The Town of Pineville, as grantee, will comply with all laws and regulations pertaining to the program.
3. Tim Ellison, Mayor of the Town of Pineville, is designated as the authorized official to act in connection with the WVIF grant.

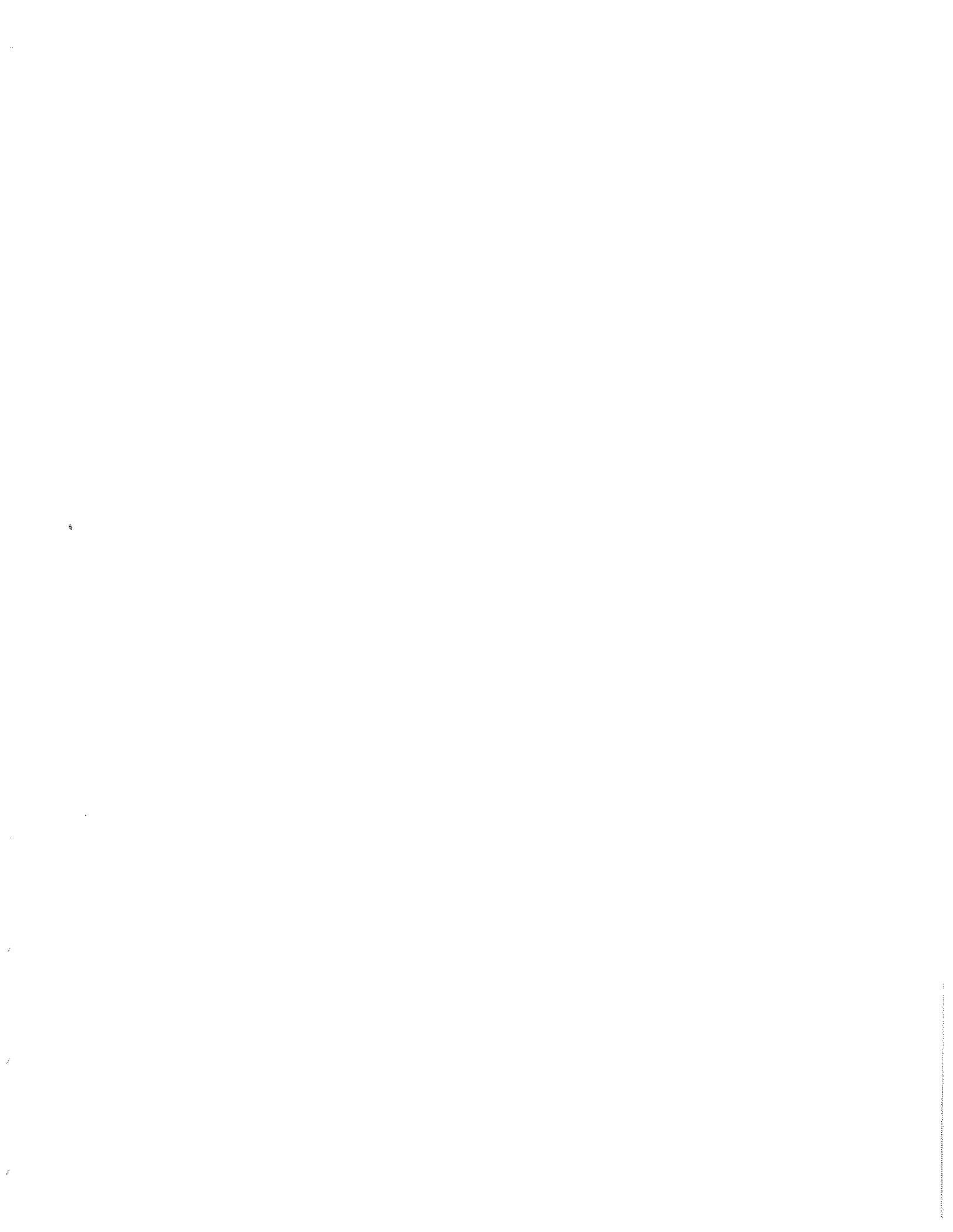


Tim Ellison, Mayor

I, Sid Bradford, Recorder of the Town of Pineville, certify that the above is a true copy of a Resolution adopted the 15th day of January, 2008 at a meeting of the Town of Pineville. I further certify that a quorum was present and a majority of its members voted affirmatively for this Resolution.



Recorder



TOWN OF PINEVILLE

Water Revenue Bonds, Series 2008 A
(United States Department of Agriculture)

RECEIPT OF DEPOSITORY BANK

I, the undersigned duly authorized representative of First Community Bank, Pineville, West Virginia (the "Bank"), hereby certify that on September 15, 2008, the Bank received an automated clearinghouse transfer in the amount of \$236,639.24 for the Series 2008 A Bonds to the credit of the Project Construction Account (Account Number 9845203).

WITNESS my signature on this 15th day of September, 2008.

FIRST COMMUNITY BANK

By: 
Its: Authorized Officer

09.08.08
704440.00001



AGREEMENT

Witness this Agreement by and between the Town of Pineville and Municipal Water Works of Pineville, Parties of the First Part, and Center Public Service District, Party of the Second Part.

IN RECOGNITION that the Parties of the First Part (hereinafter "Town") provide services to the Party of the Second Part (hereinafter "Center PSD") which include meter reading, mail processing, billing, provision of an employee, provision of office space, consumption of time and utilities, receipt of complaint and other calls, bookkeeping, account collections, account processing, and reporting, Town and Center PSD agree that Center PSD shall pay Town a service fee, and

The Center PSD has paid Town the monthly sum of \$800.00 for all services rendered by Town for the last twenty (20) to twenty-five (25) years, and

That the costs and expenses to Town of the services provided to Center PSD have most assuredly increased across those years such that an upward adjustment of Center PSD's monthly obligation to Town is warranted, and

That it is reasonable for Town to recoup the costs fairly associated with the services rendered to Center PSD, and

That continued association between Town and Center PSD remains in the best interests of said entities, and

That Town and Center PSD desire and intend that their continued association be fair to each, and

That it is reasonable to anticipate Town's costs will increase in the future (though a decrease is possible) such that the payment from Center PSD to Town should be reviewed on a regular and recurring basis,

All on account of which **BE IT KNOWN THAT**

These PARTIES, hereby make and adopt this Agreement for proposal to the Public Service Commission, which they intend to govern and control their relations henceforth as set forth herein.

1. The Town will continue to make meter readings, providing the same for Center PSD's benefit, billing Center PSD's accounts, receiving payments, recording payments received, managing accounts, reporting non-payments to Center PSD, providing personnel to do the same, providing use of office resources and computer/database use as Town has done for Center PSD over the last several years through the regular course of dealing between Town and Center PSD.
2. Center PSD will pay Town the monthly sum of \$1,985.23 beginning July 1, 2005 and continuing monthly thereafter until such time as this Agreement is modified pursuant to regularly scheduled fairness review (described herein below) or until such time as all parties to the Agreement voluntarily modify or terminate this Agreement. Town will invoice Center PSD monthly. Payment from Center PSD to Town will be due the 1st day of each month.
3. For purposes of reference, Town and Center PSD agree that the monthly sum of \$1,985.23 is based upon the costs asserted by Town attached hereto as Exhibit One, "June 2005 Proposal Worksheet." Future reviews of this Agreement or recalculations of the Center PSD payment to Town should be made with reference to a comparable worksheet.

4. **FAIRNESS REVIEW:** In view of the fact that the Center PSD payment of Town is based primarily upon Town's costs to provide services, maintain employee time, and otherwise provide resources, and in view of the fact that the costs incurred by Town thereby are likely to increase over time, or to decrease depending upon economic conditions or improved technology, the Town and Center PSD agree to review this Agreement on a regular and recurring basis in order that the amount paid by Center PSD to Town is adjusted to match the economic realities in the future. The first such review shall commence in June of 2006. Thereafter, the agreement shall be reviewed bi-annually in the month of June (2008, 2010, 2012, etc...). Fairness Reviews shall be based upon similar considerations as those reflected in Exhibit One hereto, "June 2005 Proposal Worksheet."

Either party may initiate a Fairness Review by written proposal in the month of June as specified above. If neither party initiates such a review before July the 1st of that year, the Agreement then in place shall continue.

5. Town and Center PSD enter this Agreement after fair and open discussion, following a free exchange of relevant information. Both Town and Center PSD intend that Center PSD pass a resolution or approve a motion that this Agreement be submitted by Center PSD to the Public Service Commission (hereinafter PSC) seeking PSC approval of this Agreement in total, inclusive of all of its provisions.
6. Failure of Center PSD to make a monthly payment, or failure of Town to send an invoice for any particular month, shall not constitute waiver of the amount due from Center PSD to Town. Payment is due monthly for services rendered. The invoice

is not to be deemed or considered a part or portion of that service. Center PSD shall owe the monthly payment, in full, whether Town invoices or not. Upon request from Center PSD, town will provide an invoice for any month in which an invoice was not supplied.

7. Regardless the date upon which this Agreement is approved by Town or Center PSD, the date upon which this Agreement is signed by Town or Center PSD, the date upon which Center PSD seeks PSC approval, or the date upon which PSC ultimately approves Center PSD's entry into this Agreement, the effective date of this Agreement is July 1, 2005.

The July 1, 2005 effective date is material to this Agreement and said timing is "of essence" to the effect of this Agreement. Other terms of this Agreement are founded upon the July 1, 2005 effective date of this Agreement.

8. **EFFECTIVE DATES OF FUTURE MODIFICATIONS TO THIS AGREEMENT:** This Agreement provides for Fairness Reviews beginning June 2006 and biannually thereafter. In the event of modification pursuant to any Fairness Review, Town and Center PSD agree that the modification will be effective the first day of July in the year in which the Fairness Review is provided for by this Agreement, regardless the actual date of modification. These may be retroactive effects caused thereby. Both Town and Center PSD acknowledge that failure to resolve fairness review payment disputes in a timely fashion may have retroactive financial implications for the parties to this Agreement.

9. **ADOPTION OF TERMS:** Future modifications to this Agreement shall state specifically the modified terms and shall otherwise reference and adopt the terms contained in this and subsequent Agreements.

10. The terms of the Agreement are subject to the Laws of the State of West Virginia and to approval of the PSC. Center PSD shall provide evidence to Town of PSC approval of this Agreement.

11. Town and Center PSD have reviewed this Agreement, conferred with their respective legal counsel, acted internally to approve this Agreement, and have entered this Agreement as equals, following fair, open, and arms-length discussion and negotiation.

12. **SEVERANCE PROVISION:** Should any part or portion of this Agreement be adjudicated invalid or unenforceable in a Court of Record (Circuit Court or Supreme Court of Appeals) in a final judgement order, then the remaining provisions of this Order shall remain in full force and effect so long as no party hereto is unduly prejudiced thereby. If the invalidity of a part or portion of this Agreement cause a fundamental unfairness to one party or another, then the Court may fashion such reasonable modification as necessary to the remaining provisions of this Agreement as to maintain the effectiveness of this Agreement within the reasonably interpreted intent of the parties as reflected within the terms of this Agreement.

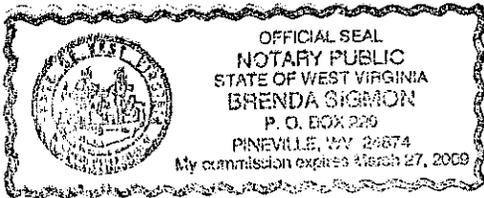
13. **ACKNOWLEDGMENTS:** Town having acted by vote of the Council, Center PSD having acted by vote or resolution within its rules, and Center PSD having pledged to submit this Agreement to the PSC seeking PSC approval or having received PSC approval of this Agreement, this Agreement is hereby adopted by Town and Center PSD, said promises and considerations having been herein expressed and found to be adequate to all parties, witness the following signatures on behalf of the parties.

Tim Ellison
Mayor, Town of Pineville for Town of Pineville
And Municipal Water Works of Pineville

6/29/05
Date

TAKEN, SUBSCRIBED AND SWORN TO BEFORE ME THIS 29th DAY OF
June, 2005.

My commission expires: March 27, 2009



Brenda Sigmon
NOTARY PUBLIC

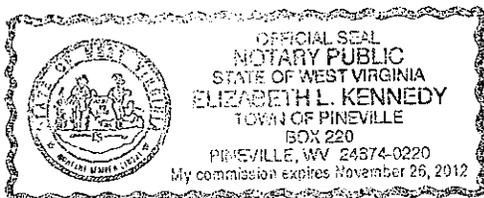
Samuel New York
for Center Public Service District

7-11-05
Date

TAKEN, SUBSCRIBED AND SWORN TO BEFORE ME THIS 11 DAY OF

July, 2005.

My commission expires: November 26, 2012



Elizabeth L. Kennedy
NOTARY PUBLIC

Exhibit One

JUNE 2005 PROPOSAL WORKSHEET

\$17,576.00 – Water Clerk's Base Salary

676.00 – Water Clerk's Vacation Pay

405.60 – Water Clerk's Sick Pay

\$18,657.60

1,427.32 – FICA

105.00 – SUTA

533.61 – Workers' Comp

6,088.08 – Medical Insurance

200.00 – Christmas Bonus

\$27,011.61 / 2 = \$13,505.81

\$13,505.81 – ½ Salary Package

600.00 – ½ Office Supplies

2,000.00 – ½ Computer Expense

1,760.00 – ½ Postage

2,983.82 – 1/6 Office Lease

523.07 – ¼ Utilities

2,450.00 – Meter Readings @0.25

\$23,822.70 / 12 = 1,985.23 per month

**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 26th day of July, 2005.

CASE NO. 05-0885-PSD-W-PC

CENTER PUBLIC SERVICE DISTRICT and
TOWN OF PINEVILLE

Petition for consent and approval of a billing agreement between the District and the Town of Pineville (filed 6/15/05).

COMMISSION ORDER

On June 15, 2005, the Town of Pineville (Town) and the Center Public Service District (District) filed a petition for approval of a proposed billing agreement. The District's board, during its June 6, 2005 board meeting, accepted the agreement. Pursuant to the petition, for more than twenty years the Town has charged the District \$800 per month for providing services to the District, including meter reading, mail processing, billing, provision of an employee, provision of office space, consumption of time and utilities, receipt of complaint and other calls, bookkeeping, account collections, account processing and reporting. The Town has requested that its charge be increased to \$1,985.23 to continue the services.

On June 23, 2005, Commission Staff filed an Initial and Final Joint Staff Memorandum. Based upon its review of the Town's worksheet, Staff determined that the requested increase is reasonable and that it is unlikely the District could perform the duties at the same cost. Staff noted that the revised agreement provides for Fairness Reviews beginning June 2006 and biannually thereafter. Staff also explained that the proposed additional charges will cost the District approximately \$14,200 more per year. Although the District's rates were recently increased in Case No. 04-1971-PSD-19A, given the proposed increase in the Town's service charge, the District may need approval to include the additional cost in rates.

CONCLUSIONS OF LAW

1. Pursuant to *W. Va. Code* § 24-2-12, the terms and conditions of the transaction are fair and reasonable, do not confer upon any party of the transaction an undue advantage of any other party, and do not adversely affect the public in West Virginia.
2. The proposed transaction should be approved, without notice and hearing.
3. The parties should file an executed copy of the billing agreement within thirty days.
4. Given the additional costs to the District for the Town's services, the District, within thirty days, should petition to reopen Case No. 04-1971-PSD-19A to address the District's need to include the additional cost in its rates.

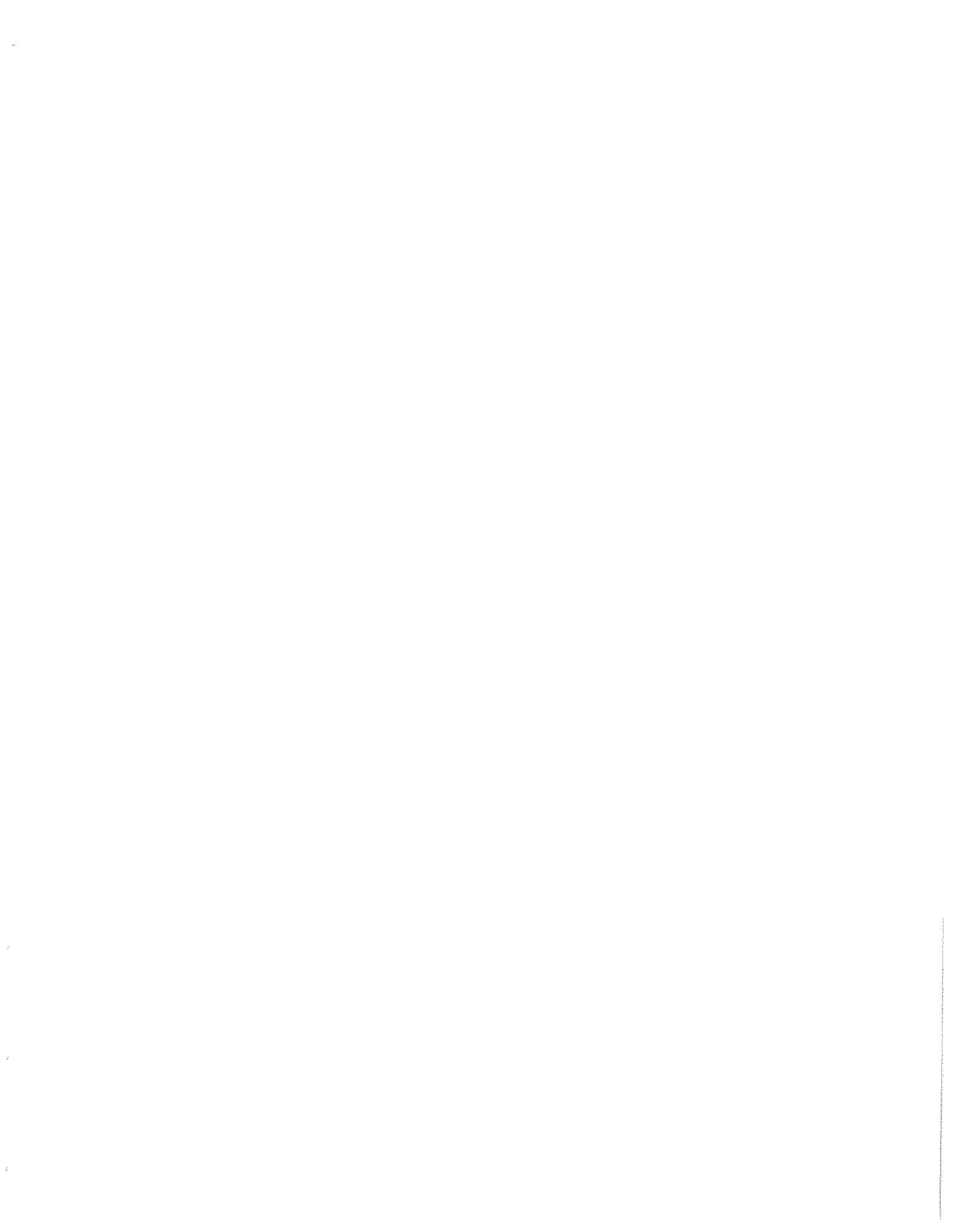
ORDER

IT IS, THEREFORE, ORDERED that the Town of Pineville and the Center Public Service District's proposed billing agreement is hereby approved.

IT IS FURTHER ORDERED that the parties file a copy of an executed agreement within thirty days of the date of this Order.

IT IS FURTHER ORDERED that the Center Public Service District shall petition to reopen Case No. 04-1971-PSD-19A within thirty days of the date of this Order to address the District's need to include the additional cost in its rates.

IT IS FURTHER ORDERED that, upon entry hereof, this proceeding shall be removed from the Commission's active docket of cases.



**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 1st day of May 2008.

CASE NO. 08-0195-PWD-PC

WYOMING COUNTY COMMISSION

Petition for consent and approval of dissolution of the Wyoming/Glover Public Service District.

COMMISSION ORDER

With this Order, the Commission approves the dissolution of the Wyoming/Glover Public Service District.

BACKGROUND

On January 4, 1988, the Wyoming County Commission (WCC) filed its county plan to create, consolidate, merge, expand, or dissolve public service districts with the Commission, seeking the Commission's approval of the plan pursuant to W.Va. Code §16-13A-1b. See Case No. 88-003-WS-PC. The WCC intended to dissolve the Wyoming/Glover Public Service District (WGPSD) as part of the plan. On March 27, 1992, the Commission's Division of Administrative Law Judges (ALJ) entered a Procedural Order directing the WCC to provide public notice of its proposed plan and set a hearing on the matter for June 18, 1992. At the June 18, 1992 hearing it came to the ALJ's attention that the WCC and the districts affected by the WCC's proposed plan did not fully comply with the notice requirements stated in the March 27, 1992 Procedural Order. The ALJ continued the hearing. On July 13, 1992, the ALJ reconvened the hearing on the matter. At this second hearing, the affected public service districts, the WCC, and Staff submitted a jointly-proposed settlement agreement. The ALJ found that the WCC effected proper notice of the July 13, 1992 hearing. See Finding of Fact No. 8, Recommended Decision, Case No. 88-003-WS-PC, October 20, 1992. The ALJ's Recommended Decision does not indicate any opposition to the reorganization of the public service districts, including the dissolution of the WGPSD.

As directed in a Recommended Decision entered November 10, 1999 in Case No. 98-1500-PWD-W-GI, *James R. Milam, dba Corinne Water System, et al.*, Staff petitioned the Circuit Court of Wyoming County to place the WGPSD in receivership, with the Town

of Pineville acting as Receiver. In Civil Action No. 00-C-11, *Public Service Commission v. James R. Milam dba Corinne Water System, et al.*, the circuit court placed WGPSD in receivership.

On February 12, 2008, the ALJ entered a Recommended Decision in Case No. 07-1790-W-CN, *Pineville Municipal Water Works*. In that case, Pineville was seeking authority to construct an extension of its system to serve those customers who had formerly been provided water service by the WGPSD. In that Recommended Decision, the ALJ denied Pineville's request to dissolve the WGPSD and indicated that Pineville would have to continue to charge the rates and charges of the WGPSD until Pineville resolved the receivership or completed the project, whichever occurred later. Pineville filed exceptions to the Recommended Decision. On February 12, 2008, the Commission ruled on those exceptions, requiring that Pineville (1) work with Staff to dismiss the WGPSD from the receivership case and to secure the transfer of the WGPSD's to the Town and (2) obtain a ratification of the WCC's prior order dissolving the WGPSD and submit the ratification within ten days to obtain the Commission's consent and approval.

The WCC recited this problem on February 20, 2008 by entering an order ratifying the October 27, 1992 dissolution of the WGPSD. On February 25, 2008, the WCC submitted the ratification of the dissolution of the WGPSD to the Commission, seeking consent and approval in accordance with W.Va. Code §16-13A-2. On March 28, 2008, Staff and the Town of Pineville submitted a motion for the approval of the transfer of the utility assets of the WGPSD to the Municipal Water Works of Pineville and a proposed agreed order to the Wyoming County Circuit Court. The Circuit Court entered the Agreed Order on March 28, 2008.

DISCUSSION

Given that the Wyoming County Circuit Court has approved the sale of the assets of the WGPSD to the Municipal Water Works of Pineville and dismissed the WGPSD from receivership, it is proper for the Commission to give its consent and approval to proceed with the dissolution of the WGPSD.

FINDINGS OF FACT

1. On February 25, 2008, in the present case, the WCC submitted to the Commission its ratification of the October 27, 1992 dissolution of the WGPSD.
2. On March 8, 2008, the Wyoming County Circuit Court ordered the sale and transfer of the WGPSD's assets to the Municipal Water Works of Pineville and dismissed the WGPSD from the receivership proceeding.
3. On April 8, 2008, Staff recommended that the Commission approve the dissolution of the WGPSD.

CONCLUSION OF LAW

It is reasonable to grant the WCC's request to dissolve the WGPSD.

ORDER

IT IS THEREFORE ORDERED that the Wyoming County Commission's dissolution of the Wyoming/Glover Public Service District is hereby approved.

IT IS FURTHER ORDERED that upon entry of this Order this case shall be removed from the Commission's docket of open cases.

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
Executive Secretary

RWC/klm
080195c.wpd

**IN THE CIRCUIT COURT OF
WYOMING COUNTY, WEST VIRGINIA**

**STATE OF WEST VIRGINIA, *ex rel.*
THE PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA,**

Petitioner,

v.

Civil Action No. 00-C-11

JAMES R. MILAM, dba CORINNE WATER SYSTEM,
a public utility, Corinne, Wyoming County,

WYCO PUBLIC SERVICE DISTRICT,
a public utility, Wyco, Wyoming County,

WYOMING/GLOVER PUBLIC SERVICE DISTRICT,
a public utility, Wyoming, Wyoming County,

EARL SWEENEY, dba WELTON WATER COMPANY,
a public utility, Allen Junction, Wyoming County,

BUCKEYE WATERWORKS, INC.,
a public utility, Allen Junction, Wyoming County,

LOGAN COUNTY PUBLIC SERVICE DISTRICT,
a public utility, Logan, Logan County,

MUNICIPAL WATER WORKS OF PINEVILLE,
a public utility, Pineville, Wyoming County,

Respondents.

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LEGAL DIVISION

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WYOMING PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

**AGREED ORDER APPROVING THE SALE OF THE UTILITY ASSETS OF
WYOMING/GLOVER PUBLIC SERVICE DISTRICT
TO MUNICIPAL WATER WORKS OF PINEVILLE**

Now come the Petitioner, State of West Virginia, ex rel. the Public Service Commission of West Virginia ("PSC") by counsel, C. Terry Owen, the Respondent, Wyoming/Glover Public Service District, by its duly appointed Receiver, Municipal Water Works of Pineville as Seller/Transferor by counsel, Charles B. Mullins II, and the Municipal Water Works of Pineville in its further capacity as the Purchaser/Transferee, by counsel, Charles B. Mullins II, upon their motion to approve the sale to the Municipal Water Works of Pineville of the utility assets of Wyoming/Glover Public Service District on the terms and conditions more fully described in said motion. In support of said motion, the Court finds as follows:

1. This proceeding was initiated in the Circuit Court of Wyoming County, West Virginia by the Petitioner PSC as the result of its determination through a general investigation proceeding involving, *inter alia*, Wyoming/Glover Public Service District¹ that there had been a pervasive and continuing inability and/or unwillingness on the part of the management of Wyoming/Glover Public Service District to adequately serve its customers and that the management of the Wyoming/Glover Public Service District was grossly and willfully insufficient, irresponsible and unresponsive to the needs of its customers.

2. By Order entered in this proceeding on February 2, 2000, this Court, for good cause shown, granted the petition of the PSC, appointed the Municipal Water Works of Pineville as Receiver for Wyoming/Glover Public Service District and directed the Receiver to maintain sole control and responsibility for the management and operation of

¹ PSC Order entered November 10, 1999 in Case No. 98-1500-PWD-W-GI.

Wyoming/Glover Public Service District and to take such actions as may be necessary to correct existing problems with the utility operations of the Wyoming/Glover Public Service District. As Receiver, the Municipal Water Works of Pineville was ordered to provide an adequate and safe water service utility to the customers of Wyoming/Glover Public Service District and to serve the interests of such customers and the general public in accordance with the orders, rules, regulations and directives of the PSC. At all time since the aforesaid February 2, 2000 Order became effective, the Municipal Water Works of Pineville has faithfully discharged its duties as Receiver for the Wyoming/Glover Public Service District.

3. After commencing its services as Receiver, the Municipal Water Works of Pineville began to prepare for the eventual acquisition of the utility assets of Wyoming/Glover Public Service District. These preparations recently culminated in the successful completion of an important objective. On January 3, 2008, a Recommended Decision was entered² granting Pineville's application for a certificate of convenience and necessity and approving the associated project financing. This project will upgrade Pineville's water treatment plant and provide the funds for the extension of municipal water service from Pineville to the customers of Wyoming/Glover Public Service District.

3. Now, subject to the acceptance and approval of this Court, Wyoming/Glover Public Service District has agreed to transfer, convey, assign and deliver to the Municipal Water Works of Pineville, and the Municipal Water Works of Pineville has agreed to accept,

² Exceptions on other issues were filed, staying this Recommended Decision from becoming final.

take title to and operate, all of the Assets of Wyoming/Glover Public Service District, for the nominal consideration of One Dollar (\$1.00) in United States of America currency. The sale and transfer shall be free and clear of any and all liens and encumbrances. The Receiver shall take all actions necessary or convenient to forthwith accomplish these transfers.

4. Concurrently with the transfer of the Assets to the Municipal Water Works of Pineville, the Municipal Water Works of Pineville has agreed to adopt the rates, charges and other applicable terms of Wyoming/Glover Public Service District's currently approved tariff and shall apply said rates and charges to the former customers of Wyoming/Glover Public Service District until Pineville's utility project engineer certifies that the project has been substantially completed. At that time, those customers will begin paying the rates and charges then in effect for the Municipal Water Works of Pineville.

5. If approved by the Court, the Municipal Water Works of Pineville and Wyoming/Glover Public Service District intend to consummate the transfer of the Assets to the Municipal Water Works of Pineville at a closing to be scheduled as soon thereafter as practicable.

6. Notice and hearing are not necessary as all affected parties are before this Court in a jointly filed motion and have presented an agreed upon Order.

WHEREFORE, the Court does hereby ORDER that the transfer to the Municipal Water Works of Pineville of the utility assets, both real and personal, tangible and intangible, of the Respondent, Wyoming/Glover Public Service District, for the nominal consideration of One Dollar (\$1.00) in United States of America currency. The sale and transfer shall be

clear of any and all liens and encumbrances.

IT IS ORDERED that, to the extent necessary and convenient, the Receiver shall inventory and marshal and gather all assets and property of Wyoming/Glover Public Service District, including any and all outstanding monies, debts and personal property due, and shall take any and all actions necessary to recover, preserve or protect same and pass same in due course over to the Municipal Water Works of Pineville, and this authority and direction specifically includes any claim or chose in action against any present or past debtor, officer, agent, employee, servant or other representative of the Wyoming/Glover Public Service District.

IT IS FURTHER ORDERED that Wyoming/Glover Public Service District is dismissed from this Receivership proceeding.

Entered the 28th day of March, 2008.



John S. Hrko, Chief Judge of the Circuit Court
of Wyoming County, West Virginia

PREPARED BY:



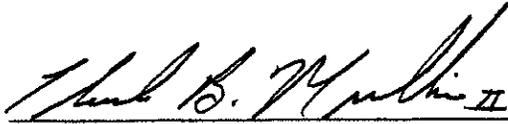
C. Terry Owen, Staff Attorney
W. Va. State Bar I.D. No. 2793
201 Brooks Street
Post Office Box 812
Charleston, West Virginia 25323
Telephone: (304) 2340-0339
Counsel for the Public Service Commission of West Virginia

A TRUE COPY, ATTEST.
DAVID "BUGS" STOVER, CLERK

This the 7 day of April, 2008

By: L. McMillin Deputy.

AGREED AS TO FORM AND CONTENT:



Charles B. Mullins

Mullins Law Office

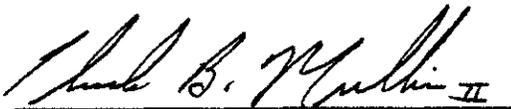
490 Appalachian Highway

Post Office Box 490

Pineville, West Virginia 24874-0490

Telephone: (304) 732-9334

Counsel for the Respondent, Municipal Water Works of Pineville as Receiver for Wyoming/Glover Public Service District



Charles B. Mullins

Mullins Law Office

490 Appalachian Highway

Post Office Box 490

Pineville, West Virginia 24874-0490

Telephone: (304) 732-9334

Counsel for the Respondent, Municipal Water Works of Pineville

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Wyoming County Commission

Drawer 309
Pineville, West Virginia 24874
Telephone 304/732-8000
FAX 304/732-9659

D. Michael Goode, Clerk
Members of County Commission
Harold Hayden

Dr. Samuel Muscari, Sr.

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W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE
Silas Mullins, Jr.

08-0195-PWD-PC

RATIFICATION RESOLUTION AND ORDER

WHEREAS, on February 12, 2008, the Public Service Commission of West Virginia (PSC) entered an Order on Exceptions in Case No. 07-1790-W-CN, *Pineville Municipal Water Works*. In that Order on Exceptions, the PSC directed that the Wyoming County Commission (County Commission) enter an Order ratifying, adopting and confirming the previous County Commission Order entered on October 27, 1992. The October 27, 1992 Order dissolved, *Inter alia*, the Wyoming/Glover Public Service District. The ratification is considered necessary to assure compliance with *W. Va. Code* § 16-13A-2.

W. Va. Code § 16-13A-2 requires that "... within ten days of the entry of an order ... dissolving ... a district, such order must be filed for review and approval by the Public Service Commission."

THEREFORE, BE IT RESOLVED AND ORDERED that the County Commission of Wyoming County formally ratifies all of its prior actions taken in 1992 which were intended to result in the dissolution of the Wyoming/Glover Public Service District. This ratification specifically includes the entry of the October 27, 1992 Order of the Wyoming County Commission which dissolved the Wyoming/Glover Public Service District, a copy of which is attached hereto and incorporated by reference. The Clerk of the County Commission is directed to file a copy of this Ratification Resolution and Order to the Public Service Commission within ten days of its entry.

Entered this 20th day of February, 2008, on a motion made by Dr. Samuel Muscari, Sr. and seconded by Silas Mullins, Jr.

Signed:

Harold Hayden
Harold Hayden, President

Dr. Samuel A. Muscari, Sr.
Dr. Samuel A. Muscari, Sr., Commissioner

Silas Mullins, Jr.
Silas Mullins, Jr., Commissioner

C 250 # 27-1790-W-CN
ORDERS

Regular Session Tuesday THE 13th DAY OF October 1992

ORDER OF PUBLICATION Dissolution of PSD's

The Commission ruled that an order of publication and notice of public hearing be published in the Independent Herald and the Mullens Advocate regarding the dissolution of the Public Service Districts. The publication reads as follows:

IN THE COUNTY COMMISSION OF WYOMING COUNTY, WEST VIRGINIA
IN RE: PROPOSED DISSOLUTION OF: COAL MOUNTAIN PUBLIC PSD, CARWOOD PUBLIC SERVICE DISTRICT, GREEN CAMP PUBLIC SERVICE DISTRICT, HERNDON PUBLIC SERVICE DISTRICT, MARIANNA PUBLIC SERVICE DISTRICT, OTSEGO PUBLIC SERVICE DISTRICT, PIERPOINT PUBLIC SERVICE DISTRICT, WYCO PUBLIC SERVICE DISTRICT, AND WYOMING/CLOVER PUBLIC SERVICE DISTRICT TO DISSOLVE AS PUBLIC SERVICE DISTRICTS

ORDER OF PUBLICATION AND NOTICE OF PUBLIC HEARING

It appearing that a public hearing on this matter is necessary, it is ORDERED that a public hearing in regard to the proposed dissolution of the said public service districts shall be held on October 27, 1992 at 10:00 O'Clock A.M. before the Commissioners of the Wyoming County Commission at the Commission offices in the Wyoming County Courthouse in Pineville, West Virginia.

Those who may be affected by the proposed dissolution of any or all of the said Public Service Districts listed above, and the public at large, are invited and encouraged to attend the public hearing. Enter this 13th day of October, 1992.

/s/ H. R. Davis, President

A True Order: /s/ D. Michael Gooda, Clerk

SETTLEMENT-CIRCUIT COURT

Charlie Hall, Guardian for James Phillip Hall, Minor

This day the Commission approved the Circuit Court Order styled James Phillip Hall, Infant by Charlie Hall, as next friend, Civil Action No. 90-G-347.

FLOOD ORDINANCE

Second Reading and Approved

The second reading of the proposed flood ordinance was done. There were no members of the public present to either approve or disapprove of the said ordinance. On a motion by C. W. Ford and a second by Harold Hayden, the ordinance was passed. It reads as follows:

AN ORDINANCE ESTABLISHING A FLOOD PLAIN AREA AND REQUIRING ALL PERSONS, PARTNERSHIPS, BUSINESSES AND CORPORATIONS TO OBTAIN A PERMIT FOR DEVELOPMENT AND THE CONSTRUCTION SUBSTANTIAL IMPROVEMENT OR RELOCATION OF ANY BUILDING OR STRUCTURE; PROVIDING FOR CERTAIN MINIMUM STANDARDS FOR CONSTRUCTION WITHIN THE FLOOD PLAIN AREA AND SETTING FORTH SPECIAL PROCEDURES FOR SUBMISSION AND APPROVAL OF PLANS; AND ESTABLISHING PENALTIES FOR ANY PERSON WHO FAILS TO COMPLY WITH THE REQUIREMENTS OR PROVISION OF THIS ORDINANCE:

BE IT ENACTED AND ORDAINED BY THE COUNTY COMMISSION OF THE COUNTY OF WYOMING, WEST VIRGINIA, AS FOLLOWS:

ARTICLE 1
Flood Plain Management

1.01 General Provisions

The intent of this Ordinance is to:

- A. Promote the general health, welfare, and safety of the Community.
- B. Encourage the utilization of appropriate construction practices in order to prevent or minimize flood damage in the future.
- C. Minimize danger to public health and safety by protecting water supply, sanitary sewage disposal, and natural drainage.
- D. Reduce financial burdens imposed on the community, its governmental units and its residents, by preventing the unwise design and construction of development in areas subject to flooding.

1.02 ABERGATION AND GREATER RESTRICTION

This Ordinance supersedes any ordinances currently in effect in flood prone areas. However, any ordinance shall remain in full force and effect to the extent that its provisions are more restrictive.

1.03 APPLICABILITY

It shall be unlawful for any person, partnership, business, or corporation to undertake or cause to be undertaken, any development or the new construction, substantial improvements, the placement or relocation of any structure (including manufactured homes) within the Flood Plain Area, unless a Permit has been obtained from the Permit Officer with the final approval by the Wyoming County Commission. In addition, where land is to be subdivided, utilized for a manufactured home park or subdivision or otherwise developed, a site plan must be submitted to, and approved by both the Permit Officer and the Wyoming County Commission prior to any development.

Provisions of all other codes, ordinances and regulations shall be applicable insofar as they are consistent

RECEIVED
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WYOMING COUNTY COMMISSION
PINEVILLE, WEST VIRGINIA

ORDERS

WYOMING COUNTY COMMISSION, WEST VIRGINIA

Regular SESSION Tuesday, THE 27th DAY OF October 1992

KIMBERLY CLAY COOK

Public Official Bond

This day the Commission approved the public official bond for Kimberly Clay Cook, Treasurer of the Wyoming County School Board, in the penal sum of Two Hundred Fifty Thousand (\$250,000.00) Dollars, with Western Surety Company as surety thereon.

JAMES B. BOLT, SHERIFF

Bank Balances

Bank balances as of October 27, 1992 are: General County \$591,364.66; Coal Tax \$424,612.63; Coal Tax Investment \$101,715.81; 911 communications \$43,812.79; Airport \$1,767.24; and Landfill \$75,479.22.

JOHN DANIELS

Thermostat to be moved

The Commission agreed to having the thermostat in the Magistrates' office moved from J. R. Boles' office to John Daniels' or Connie White's office.

DISSOLUTION OF PUBLIC SERVICE DISTRICTS

Coal Mountain Garwood, Green Camp, Herndon, Otsego, Wyoming-Glover, Wyco, Marianna PSD's Dissolved

A public hearing was held on the proposed dissolution of eight public service districts in Wyoming County. All eight were represented and no one objected to the dissolution of these eight. Motion was made by Harold Hayden seconded by H. R. Davis to dissolve the following public service districts: Coal Mountain, Garwood, Green Camp, Herndon, Otsego, Wyoming-Glover, Wyco and Marianna. Pierpoint elected to remain a Public Service District at this time. Also remaining as Public Service Districts are: Brenton, Matheny, Center, Kopperston and Ravenscliff, Saulsville, McGraws.

MATHENY PUBLIC SERVICE DISTRICT

Loan Payment

Motion was made by Harold Hayden, seconded by H. R. Davis, to pay the loan payment for Matheny Public Service District for four months to help them out financially. The bill will be \$544 a month.

MOTOROLA

Purchase of new radios

After some discussion with Dean Meadows and Motorola, motion was made by Harold Hayden, seconded by Russ Davis to purchase new radios--Maratrac A-7--12 @ \$998.00.

RAY WINFREY JR.

Exoneration

The Commission discussed with Ron Phillips and Butch Goode, the request for an exoneration received from Ray Winfrey, Jr. of Mullens. It was then tabled for the next meeting as no agreement was reached.

BILLS APPROVED

Bills in the amount of \$27,764.47 were presented to the Commission for approval. Motion was made by Harold Hayden to pay all bills; seconded by Russ Davis, bills were given to Jewell Boles for payment.

Meeting was recessed at 11:50 a.m. to reconvene at 11:00 a.m. Wednesday, October 28, 1992.

KAY BAYLESS

Hired as Legal Counsel of Record

After reconvening the Commission discussed the hiring of Kay Bayless. Motion was made by Harold Hayden to hire Ms. Bayless as legal counsel of record effective October 28, 1992. Said motion was seconded by Russ Davis.

There being no further business the meeting was adjourned at 11:20 a.m.

H. R. Davis
H. R. Davis, President

SECRETARY'S OFFICE
ON
SERVICE
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