$9,100,000
CITY OF PRINCETON, WEST VIRGINIA
SEWER REVENUE BOND
SERIES 2011
(WEST VIRGINIA SRF PROGRAM)

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XEROX RECYCLED
80000 SERIES
30% P C W

CITY OF PRINCETON

Sewer Revenue Bond
Series 2011 (WV SRF Program)

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The Closing of the sale of $9,100,000 City of Princeton Sewer Revenue Bond, Series 2011 (WV SRF Program), will take place at the West Virginia Water Development Authority's office at 180 Association Drive in Charleston, West Virginia, at 1:00 p.m., prevailing time on March 2, 2011. The Closing will occur on March 3, 2011. No transaction shall be deemed to have been completed, and no documents shall be deemed to have been delivered unless or until all transactions are complete and all documents delivered.

CITY OF PRINCETON

SEWER REVENUE BOND
SERIES 2011 (WV CWSRF PROGRAM)

BOND ORDINANCE

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CITY OF PRINCETON

ORDINANCE AUTHORIZING THE PAYMENT OF THE CITY'S SEWER BOND ANTICIPATION NOTE, SERIES 2008, THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF PRINCETON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $9,100,000 IN AGGREGATE PRINCIPAL AMOUNT OF ITS SEWER REVENUE BOND, SERIES 2011 (WV CWSRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNER OF SUCH BOND; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BOND; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BOND; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BOND; AND ENACTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PRINCETON:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

A. The City of Princeton (the "Issuer") is a municipality, public corporation and political subdivision of the State of West Virginia in Mercer County of said State.

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain improvements and extensions to the existing public sewerage facilities of the Issuer. Those improvements will consist of: (a) First Street Pump Station improvements including 1) replace three existing wastewater pumps with three new VFD driven wastewater pumps, 2) provide automatic screening with screenings compactor, 3) provide automated grit removal system, and 4) upgrade electrical equipment and generator; and (b) Wastewater Treatment upgrade and expansion from an average daily design flow of 3.6 MGD to 4.9 MGD including 1) replace four existing wastewater pumps with four new VFD driven wastewater pumps, 2) provide a new Autothermal Aerobic Digestion sludge system to replace the existing anaerobic sludge digester, 3) add an additional 60-ft. diameter secondary clarifier, 4) provide two new 100-hp VFD driven blowers with automatic DO-driven controls, 5) replace existing chlorination/dechlorination system with UV disinfection system, 6) provide new combined sewer overflow clarifier with automatic flow diversion controls, 7) construct new sludge storage building, and 8) add related electrical work and miscellaneous improvements (collectively, the "Project"), which constitute properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (the existing public sewerage facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System").

C. The Issuer intends to permanently finance a portion of the costs of acquiring, constructing and equipping the Project through the issuance of its revenue bonds to be sold to the West Virginia Water Development Authority (the "Authority"), in connection with the West Virginia Water Pollution Control Revolving Fund Program (the "SRF Program"), pursuant to the SRF Act, in order to take advantage of the favorable terms available to the Issuer under the SRF Program (as hereinafter defined).

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bond, Series 2011 (WV CWSRF Program), in an amount not to exceed $9,100,000 (the "Series 2011 Bond"), initially to be represented by one (1) bond, to permanently finance a portion of the costs of acquiring, constructing and equipping of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefore; interest upon the Series 2011 Bond prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 2011 Bond Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, commitment fees, fees and expenses of the Authority, including the SRF Administrative Fee, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2011 Bond and such other expenses as may be necessary or incidental to the financing herein authorized, the cost of acquiring, constructing and equipping the Project, and the performance of the things herein required or permitted, in connection

with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2011 Bond or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 2011 Bond be sold to the Authority pursuant to the terms and provisions of a Bond Purchase Agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), in form satisfactory to the Issuer, the Authority and the DEP (the "Bond Purchase Agreement"), approved hereby if not previously approved by Ordinance of the Issuer.

G. The Issuer currently has outstanding its Sewer Refunding Revenue Bonds, Series 1996, dated August 15, 1996, issued in the original principal amount of $1,015,000, currently outstanding in the amount of $100,000 (the "Prior Bonds"), which shall be on parity with the Series 2011 Bond. The Issuer also has outstanding its Sewer Bond Anticipation Note, Series 2008, in the original principal amount of $500,000, that will be repaid with a portion of the proceeds of the Series 2011 Bond.

The Series 2011 Bond shall be issued on parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has met the coverage and parity requirements of the Prior Bonds and the Ordinance authorizing the Prior Bonds for issuance of the Series 2011 Bond and has substantially complied with all other parity requirements, except to the extent that noncompliance with any such other parity requirements is not of a material nature. Prior to the issuance of the Series 2011 Bond, the Issuer will obtain the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer that are secured by revenues or assets of the System that will be on parity with the Series 2011 Bond.

H. The estimated revenues to be derived in each year following completion of the Project will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest, if any, on the Series 2011 Bond and the Prior Bonds, and to make payments into all Sinking Funds, Reserve Accounts and other payments provided for herein, all as such terms are hereinafter defined.

I. The Issuer has complied with all requirements of West Virginia law and the Bond Purchase Agreement relating to authorization of the acquisition, construction and equipping of the Project, the operation of the System and the issuance of the Series 2011 Bond, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the obtaining of a certificate of

public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2011 Bond or such final order will not be subject to appeal or rehearing.

J. Pursuant to the Act, the Issuer has established a Sanitary Board, and the Sanitary Board has petitioned the Governing Body to issue the Series 2011 Bond for the purposes described in this Ordinance.

K. The Project has been approved by the West Virginia Infrastructure and Jobs Development Council as required under Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended.

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

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

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

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2011 Bond, or any other agency of the State of West Virginia that succeeds to the functions of the Authority.

"Authorized Officer" means the Mayor of the Governing Body of the Issuer or any temporary Mayor duly selected by the Governing Body.

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

"Bond Legislation," "Ordinance," "Bond Ordinance" or "Local Act" means this Bond Ordinance and all orders and Ordinances supplemental hereto or amendatory hereof.

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

"Bonds" means, collectively, the Series 2011 Bond, the Prior Bonds, and any bonds on parity therewith subsequently authorized to be issued hereunder or by another Ordinance of the Issuer.

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

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

"City Clerk" means the City Clerk of the Governing Body of the Issuer.

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

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

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

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

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

"Costs" or "Costs of the Project" means those costs described in Section 1.02D hereof to be a part of the cost of designing, acquiring, constructing and equipping the Project.

"Council" means the West Virginia Infrastructure and Jobs Development Council or any other agency of the State of West Virginia that succeeds to the functions of the Council.

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

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

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

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

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

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

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

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

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

"Investment Property" means

(A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

(E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of which is a specified private activity bond (as defined in section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

"Issuer" means City of Princeton, a municipal corporation, public corporation and political subdivision of the State of West Virginia in Mercer County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Mayor" means the Mayor of the Issuer.

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

"Nonpurpose Investment" means any Investment Property, as defined in Section 148(b) of the Code, that is not a purpose investment.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the costs, the SRF Administrative Fee, fees and expenses of the Authority, fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as herein defined), other than those capitalized as part of the costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

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

"Paying Agent" means the Commission or other entity designated as such for the Series 2011 Bond in the Supplemental Resolution with the written consent of the Authority and the DEP.

"Prior Ordinance" means the Ordinance of the Issuer enacted August 19, 1996, authorizing the Series 1996 Bonds or Prior Bonds.

"Private Business Use" means use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit; provided that use as a member of the general public shall not be taken into account.

"Project" means the Project as described in Section 1.02B hereof.

"Qualified Investments" means and includes any of the following:

(a) Government Obligations;

(b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;

(c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

(d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

(g) Repurchase agreements or similar banking arrangements, fully secured by investments of the types described in paragraphs (a) through (e) above or fully insured by the FDIC, with member banks of the Federal Reserve system or 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 therefore; 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 Code of West Virginia, 1931, as amended, including, without limitation, authorized pools of investments operated by such Investment Management Board; and

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

"Registrar" means the Bond Registrar.

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

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

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

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

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

"Sanitary Board" means the Sanitary Board of the Issuer, as such term is defined in the Prior Ordinance.

"Series 2008 Note" means the Sewer Bond Anticipation Note, Series 2008, of the Issuer, authorized by an Ordinance enacted on June 9, 2008.

"Series 2011 Bond" means the Sewer Revenue Bond, Series 2011 (WV CWSRF Program), of the Issuer, authorized by this Ordinance.

"Series 2011 Construction Trust Fund" means the Series 2011 Construction Trust Fund established by Section 5.01 hereof.

"Series 2011 Bond Reserve Account" means the Series 2011 Bond Reserve Account established by Section 5.02 hereof.

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

"Series 2011 Bond Sinking Fund" means the Series 2011 Bond Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds established for the Series 2011 Bond and the Prior Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid under the Bond Purchase Agreement.

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

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

"State" means the State of West Virginia.

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

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2011 Bond and the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Sinking Funds and the Reserve Accounts.

"System" means the complete properties of the Issuer for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, improvements and extensions thereto hereafter constructed or acquired for said system from any sources whatsoever.

Additional terms and phrases are defined in this Ordinance as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Mayor or the City Clerk shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Mayor or Acting City Clerk.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project and Payment of the Series 2008 Note. There is hereby authorized and ordered the payment of the Series 2008 Note and the acquisition, construction and equipping of the Project, at an estimated cost of not to exceed $9,100,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, approved by the DEP and the Issuer and heretofore filed in the office of the Governing Body. The proceeds of the Series 2011 Bond hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received or will receive bids and will enter into contracts for the construction of the Project, compatible with the financing plan submitted to the SRF Program.

The cost of acquisition and construction of the Project is estimated not to exceed $11,600,000, which will be obtained from the proceeds of the Series 2011 Bond

and a grant from the U.S. Economic Development Administration in the amount of $2,500,000. The cost of payment of the Series 2008 Note is estimated not to exceed $470,000, a portion of which will be obtained from the proceeds of the Series 2011 Bond.

ARTICLE III

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

Section 3.01. Authorization of Bond. For the purposes of funding a reserve account for the Series 2011 Bond, paying costs of constructing the Project and paying certain costs of issuance of the Series 2011 Bond and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 2011 Bond of the Issuer. The Series 2011 Bond shall be issued as one (1) bond, designated as "Sewer Revenue Bond, Series 2011 (WV CWSRF Program)," in an amount not to exceed $9,100,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2011 Bond remaining after funding the Series 2011 Bond Reserve Account (if funded from Bond proceeds) shall be deposited in or credited to the Series 2011 Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bond. The Series 2011 Bond shall be issued in such principal amount; shall bear interest at the rate of 0%, plus a 0.5% annual administrative fee, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Bond Purchase Agreement. The Series 2011 Bond shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2011 Bond shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2011 Bond shall be issued in the form of one (1) bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2011 Bond, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2011 Bond shall be exchangeable at the option and expense of the Registered Owner for other fully registered Bond or Bonds of the same series in an aggregate principal amount or amounts equal to the amount of said Series 2011 Bond then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment

of principal installments of said Series 2011 Bond; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.04. Authentication and Registration. No Series 2011 Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.12 hereof, shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2011 Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the bonds issued hereunder.

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

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

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

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

Section 3.06. Bond Mutilated, Destroyed, Stolen or Lost. In case a bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new bond of the same series and of like tenor as the bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated bond, upon surrender and cancellation of such mutilated bond, or in lieu of and substitution for the bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. The bond so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such bond shall have matured or be about to mature, instead of issuing a substitute bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such bond be lost, stolen or destroyed, without surrender thereof.

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

Section 3.08. Bond Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2011 Bond shall be secured by a first lien on the Net Revenues derived from the System, on parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Prior Bonds and the Series 2011 Bond and to make all other payments

provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

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

A. If other than the Authority, a list of the names in which the Series 2011 Bond are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2011 Bond to the original purchasers;

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

D. Executed copy of the Bond Purchase Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2011 Bond.

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

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF PRINCETON
SEWER REVENUE BOND, SERIES 2011
(WV CWSRF PROGRAM)

No. R-1 $9,100,000

KNOW ALL MEN BY THESE PRESENTS: That CITY OF PRINCETON, a municipal corporation, public corporation and political subdivision of the State of West Virginia in Mercer County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefore, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of NINE MILLION ONE HUNDRED THOUSAND DOLLARS ($9,100,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 201_, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 201_, as set forth on EXHIBIT B attached hereto.

This Bond shall bear interest at the rate of zero percent (0%) per annum, plus a 0.5% annual administrative fee, beginning February_11, 2011. Principal and interest installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Issuer, the Authority and the DEP, dated February 11, 2011.

This Bond is issued (i) to pay a portion of the costs of acquiring, constructing and equipping certain improvements and extensions to the existing public sewerage facilities of the Issuer (the "Project"); (ii) to repay the principal of and interest on the Issuer's Sewer Bond Anticipation Note, Series 2008; and (iii) to pay certain costs of issuance hereof and related costs. The existing public sewerage facilities of the Issuer,

the improvements and extensions constructed by the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on February 1, 2011, and a Supplemental Resolution duly adopted by the Issuer on February 1, 2011 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S $1,015,000 SEWER REFUNDING REVENUE BONDS, SERIES 1996 (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds from moneys in the reserve account created under the Bond Legislation for this Bond (the "Series 2011 Bond Reserve Account") and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds that may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2011 Bond Reserve Account and unexpended proceeds of this Bond. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on this Bond and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Prior Bonds; provided however, that so long as there exists in the Series 2011 Bond Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on parity with this Bond, including the Prior Bonds, an amount at least equal to the requirement therefore, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owner of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owner of this Bond are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, CITY OF PRINCETON has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated February 11, 2011.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

Date: February 11, 2011.

First Community Bank, N.A., as Registrar

By: _____
Vice President

(Form of)

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $539,133.38	2/11/11	(6) $	
(2) $		(7) $	
(3) $		(8) $	
(4) $		(9) $	
(5) $		(10) $	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 20__.

_____

In the presence of:

_____

BOND REGISTER

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF PRINCETON
SEWER REVENUE BOND, SERIES 2011
(WV CWSRF PROGRAM)

Bond Number	Principal Amount	Date of Bond
No. R-1	$9,100,000	February 11, 2011

NO WRITING ON THIS BOND REGISTER EXCEPT BY THE REGISTRAR

Name of Registered Owner:

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

Signature of Registrar:

First Community Bank, N.A.

By: _____
Vice President

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

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

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund (established by the Prior Ordinance);

(2) Renewal and Replacement Fund (established by the Prior Ordinance); and

(3) Series 2011 Construction Trust Fund.

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

(1) Series 2011 Bond Sinking Fund; and

(2) Series 2011 Bond Reserve Account.

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

(1) The Issuer shall first each month pay from the Revenue Fund the amount necessary and sufficient to pay current Operating Expenses.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Paying Agent the amounts required by the Prior Ordinance to pay interest on the Prior Bonds.

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

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

(5) The Issuer shall next, on the first day of each month, from the moneys remaining in the Revenue Fund, transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in 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 moneys from the Renewal and Replacement Fund.

Moneys in the Series 2011 Bond Sinking Fund shall be used only for the purpose of paying principal of and interest, if any, on the Series 2011 Bond as the same shall become due. Moneys in the Series 2011 Bond Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2011 Bond as the same shall come due, when other moneys in the Series 2011 Bond Sinking Fund are insufficient therefore, and for no other purpose.

All investment earnings on moneys in the Series 2011 Bond Sinking Fund and the Series 2011 Bond Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due, if any, on the Series 2011 Bond, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2011 Bond Reserve Account which result in a reduction in the balance therein below the Series 2011 Bond Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional bonds ranking on a parity with the Series 2011 Bond are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefore.

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

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

The Commission is hereby designated as the fiscal agent for the administration of the Series 2011 Bond Sinking Fund and the Series 2011 Bond Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. The Issuer shall make the necessary arrangements whereby required payments into the Series 2011 Bond Sinking Fund and the Series 2011 Bond Reserve Account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

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

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

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve account payments with respect to the Series 2011 Bond and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month deposit with the Commission the SRF Administrative Fee as set forth in the Schedule Y attached to the Bond Purchase Agreement.

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

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

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

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

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

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

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

ARTICLE VI

BOND PROCEEDS

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

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

B. From the proceeds of the Series 2011 Bond, there shall be deposited with the Commission the amount necessary to repay the principal of and interest on the Series 2008 Note.

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

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2011 Bond shall be used to fund the Series 2011 Bond Reserve Account, if not funded upon issuance of the Series 2011 Bond, in an amount not to exceed the Series 2011 Bond Reserve Requirement; provided that, in no event shall more than 10% of the proceeds of the Series 2011 Bond be deposited in the Series 2011 Bond Reserve Account. Any remaining proceeds thereafter shall be used as directed by the DEP.

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

Except as provided in Section 6.01 hereof, disbursements from the Series 2011 Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Bond Purchase Agreement as Exhibit C in compliance with the construction schedule; and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

(A) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

(B) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

(C) Each of such costs has been otherwise properly incurred; and

(D) Payment for each of the items proposed is then due and owing.

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

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by the Holder of the Series 2011 Bond. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holder of the Series 2011 Bond as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2011 Bond or the interest, if any, thereon is Outstanding and unpaid.

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

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

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal, and the Issuer shall provide an opinion of counsel to the Issuer to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Bond Purchase Agreement, and the

Issuer shall provide a certificate of a Certified Public Accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the tariff on file with the Public Service Commission of West Virginia and approved by the Issuer on May 29, 2008.

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

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, or any part thereof, except as provided in the Prior Ordinance. Additionally, so long as the Series 2011 Bond are outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2011 Bond, immediately be remitted to the Commission for deposit in the Series 2011 Bond Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2011 Bond. Any balance remaining after the payment of the Series 2011 Bond and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefore, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by Ordinance, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the

same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by Ordinance duly enacted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall with the written consent of the Authority, be remitted by the Issuer to the Commission for deposit in the Renewal and Replacement Fund. Such payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System that rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2011 Bond. All obligations issued by the Issuer after the issuance of the Series 2011 Bond that are payable from the revenues of the System, except such additional parity bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2011 Bond; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

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

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinance shall be applicable. Additionally, no parity bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2011 Bond pursuant to this Bond Legislation, except with the prior written consent of DEP and the Authority under the conditions and in the manner herein provided (unless less restrictive than the provisions of the Prior Ordinance).

All parity bonds issued hereunder shall be on parity in all respects with the Series 2011 Bond.

No such parity bonds shall be issued except for the purpose of financing the costs of the design, acquisition, or construction of extensions and improvements to the System or refunding any outstanding Bonds, or both such purposes.

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

(1) The Bonds then Outstanding;

(2) Any parity bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and

(3) The parity bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such parity bonds and (b) any increase in rates adopted by the Issuer and approved by the Public Service Commission of West Virginia, the period for appeal of which has expired prior to the date of delivery of such parity bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the City Clerk prior to the issuance of such parity bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such parity bonds.

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

Parity bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on revenues of the System is subject to the prior and superior liens of the Series 2011 Bond on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2011 Bond.

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

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

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

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

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

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

(A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation, and the status of all said funds and accounts.

(C) The amount of any bonds, notes or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and, to the extent legally required, in compliance with the applicable OMB Circular or any successor thereto, and the Single Audit Act, or any successor thereto) and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to the Holder of the Series 2011 Bond, and shall

submit said report to the Authority and the DEP, or any other original purchasers of the Series 2011 Bond. Such audit report submitted to the Authority and the DEP shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance, and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

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

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

Section 7.09. Rates. Prior to the issuance of the Series 2011 Bond, equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2011 Bond and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2011 Bond, including the Parity

Bonds; provided that in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2011 Bond Reserve Account and any reserve accounts for obligations on a parity with the Series 2011 Bond, including the Parity Bonds, are funded at least at the requirement therefore, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2011 Bond and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2011 Bond, including the parity bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

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

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

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

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

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

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

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

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

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

Section 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent

permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

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

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

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The

proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for repairs and restoration of the damaged or destroyed properties, or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Bond Purchase Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

(3) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract, if any, and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

B. The Issuer shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract

as security for the faithful performance of such contract. The Issuer shall verify such bonds prior to commencement of construction.

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

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

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

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

The Issuer has obtained all permits required by state and federal laws for the construction of the Project and operation of the System and shall provide a certificate of the Consulting Engineer to such effect, all orders and approvals from the Public

Service Commission of West Virginia and the Council necessary for the construction of the Project and the operation of the System and all approvals for issuance of the Series 2011 Bond required by state law, with all requisite appeal periods having expired without successful appeal and shall provide an opinion of counsel to the Issuer to such effect.

Section 7.18. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2011 Bond are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due, on the Series 2011 Bond during the term thereof is, under the terms of the Series 2011 Bond or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property, or borrowed money, used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2011 Bond are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2011 Bond during the term thereof is, under the terms of the Series 2011 Bond or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property, or borrowed money, used or to be used for a Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2011 Bond used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2011 Bond are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of the portion of the Project to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% or $5,000,000 of the Net Proceeds of the Series 2011 Bond are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to person other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2011 Bond to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. If required, the Issuer will timely file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2011 Bond and the interest thereon including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 2011 Bond will be and remain excluded from gross income for federal income tax purposes, and will not take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2011 Bond, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2011 Bond, and shall be on a parity, as to the Series 2011 Bond with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.20. Compliance with Bond Purchase Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms, conditions and requirements of the Bond Purchase Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP with copies of all documents submitted to the Authority.

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

Section 7.21. Securities Laws Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.22. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2011 Bond or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP and the Authority for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 2011 Bond held in "contingency" as set forth in the schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the DEP before expending any proceeds of the Series 2011 Bond made available due to bid or construction or project underruns.

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

document distributed in conjunction with any ground breaking or dedication of the Project.

ARTICLE VIII

INVESTMENTS; USE OF PROCEEDS

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

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

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

Section 8.02. Certificate as to Use of Proceeds; Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2011 Bond as a condition to issuance of the Series 2011 Bond. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2011 Bond as may be necessary in order to maintain the status of the Series 2011 Bond as governmental bonds; (ii) that it

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

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

ARTICLE IX

DEFAULT AND REMEDIES

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

(1) If default occurs in the due and punctual payment of the principal on the Series 2011 Bond; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2011 Bond set forth in this Bond Legislation, any Supplemental Resolution or in the Series 2011 Bond, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; or

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

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

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

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

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

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

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

Such receiver, in the performance of the powers hereinabove conferred upon him or her or it, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby, and a successor receiver may be appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court

to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

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

ARTICLE X

PAYMENT OF BOND

Section 10.01. Payment of Bond. If the Issuer shall pay, or there shall otherwise be paid, to the Holder of the Series 2011 Bond, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues, the pledge of future grant proceeds and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2011 Bond shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2011 Bond, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2011 Bond, no material modification or amendment of this Ordinance, or of any Ordinance amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owner of the Series 2011 Bond shall be made without the consent in writing of the Registered Owner of the Series 2011 Bond so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2011 Bond or the rates of interest, if any, thereon, or in the principal amounts thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein respectively pledged therefore without the consent of the Registered Owner thereof. No amendment or modification shall be made that would

reduce the percentage of the principal amounts of the Series 2011 Bond, required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholders as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 2011 Bond from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owner of the Series 2011 Bond, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

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

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

Section 11.05. Conflicting Provisions Repealed; Prior Ordinance. All orders or Ordinances, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Ordinance and the Prior Ordinance, the Prior Ordinance shall control (unless less restrictive), so long as the Prior Bonds are outstanding.

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

Section 11.07. Procedure on Enactment of Ordinance; Public Hearing. Upon adoption of this Ordinance, the Clerk is hereby authorized and directed to have an abstract of this Ordinance, which abstract has been determined by the Council of the Issuer to contain sufficient information to give notice of the contents of such Ordinance, published once each week for 2 successive weeks, with not less than six full days between each publication, the first such publication to be not less than 10 days before the date stated below for the public hearing, in the *Princeton Times* and *Bluefield Daily Telegraph*, newspapers published and having a general circulation in the City of

Princeton, together with a notice to all persons concerned, stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2011 Bonds described in this Ordinance and that any person interested may appear before the Council at the public hearing to be had at a public meeting of Council on the 1st day of February, 2011, at 12:00 p.m., in the Council Chambers of the Princeton City Hall at 100 Courthouse Road and present protests, and that a copy of this Ordinance is on file with the City Clerk for review by interested parties during the office hours of the City Clerk. At such hearing, all protests and suggestions shall be heard by the Council, and it shall then take such action as it shall deem proper in the premises.

Section 11.08. Effective Date. This Ordinance shall take effect immediately upon enactment.

Enacted this 1st day of February, 2011.

CITY OF PRINCETON

By: _____
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the City Council of the CITY OF PRINCETON on the 1st day of February, 2011.

Dated: February 1, 2011

[SEAL]

_____
City Clerk

EXHIBIT A

Bond Purchase Agreement included in bond transcript at Tab 3.

CITY OF PRINCETON
SEWER REVENUE BOND, SERIES 2011
(WV SRF PROGRAM)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, PAYMENT SCHEDULE, SALE PRICE AND OTHER TERMS OF THE CITY OF PRINCETON, SEWER REVENUE BOND, SERIES 2011 (WV SRF PROGRAM); AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF THE SERIES 2011 BOND TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; AND MAKING OTHER PROVISIONS AS TO THE BOND.

WHEREAS, the City Council (the "Governing Body") of the City of Princeton (the "Issuer") has duly and officially enacted a Bond Ordinance on February 1, 2011 (the "Ordinance"), entitled:

ORDINANCE AUTHORIZING THE PAYMENT OF THE CITY'S SEWER BOND ANTICIPATION NOTE, SERIES 2008, THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF PRINCETON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $9,100,000 IN AGGREGATE PRINCIPAL AMOUNT OF ITS SEWER REVENUE BOND, SERIES 2011 (WV CWSRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNER OF SUCH BOND; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BOND; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BOND; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BOND; AND ENACTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Ordinance provides for the issuance of the Sewer Revenue Bond, Series 2011 (WV SRF Program), of the Issuer, in an aggregate principal amount not to exceed $9,100,000 (the "Bond"), all in accordance with Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"); and in the Ordinance it is provided that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Bond should be established by a supplemental resolution, and that other matters relating to the Bond be therein provided for;

WHEREAS, the Bond is proposed to be purchased by the West Virginia Water Development Authority, for the benefit of the West Virginia Department of Environmental Protection (the "Authority") pursuant to its commitment letter;

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Bond be fixed hereby in the manner stated herein, and that other matters relating to the Bond be herein provided for; and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Ordinance.

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

Section 1. Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the following Bond of the Issuer:

Sewer Revenue Bond, Series 2011 (WV SRF Program), of the Issuer, originally represented by a single bond, numbered R-1, in the original principal amount of $9,100,000. The Series 2011 Bond shall be dated the date of delivery, shall finally mature December 1, 2042, and shall bear interest at the rate of 0% per annum, plus an administrative fee of .5% per annum. The principal of and interest on the Series 2011 Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2013, in the amounts set forth in the Schedule Y attached to the Agreement and incorporated in and made a part of the Series 2011 Bond. The Series 2011 Bond shall be subject to redemption upon the written consent of the Authority and DEP, and upon payment of the redemption premium, if any, and otherwise in compliance with the Agreement, so long as the Authority shall be the Registered Owner of the Series 2011 Bond.

Section 2. All other provisions relating to the Series 2011 Bond and the text of the Series 2011 Bond shall be in substantially the form provided in the Ordinance.

Section 3. The Issuer hereby ratifies, approves and accepts the Agreement, including all schedules and exhibits attached thereto, a copy of which is incorporated herein by reference and the form of which is attached hereto and incorporated herein as Exhibit A, and the execution and delivery of the Agreement by the Mayor and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed. The Issuer hereby affirms all covenants and representations made in the Agreement and in the applications to DEP and the Authority.

The price of the Series 2011 Bond shall be 100% of par value, bearing interest at the rate of zero percent (0%) per annum, plus an administrative fee of one half of one percent (.5%) per annum, provided that the proceeds of the Series 2011 Bond shall be advanced from time to time as

requisitioned by the Issuer.

Section 4. The Issuer hereby appoints and designates First Community Bank, N.A., Bluefield, West Virginia, to serve as Registrar (the "Registrar") for the Series 2011 Bond under the Ordinance and approves and accepts the Registrar's Agreement to be dated the date of delivery of the Series 2011 Bond, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed and approved.

Section 5. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Commission"), to serve as Paying Agent for the Series 2011 Bond under the Ordinance.

Section 6. The Issuer hereby appoints and designates First Community Bank, N.A. to serve as Depository Bank for the Revenue Fund, the Renewal and Replacement Fund and the Series 2011 Construction Trust Fund.

Section 7. An amount of $468,693.87 shall be deposited on the closing date with the Municipal Bond Commission to pay in full the Series 2008 Note.

Section 8. The proceeds of the Series 2011 Bond, as advanced from time to time, shall be deposited in or credited to the Series 2011 Construction Trust Fund, as received by the Issuer for payment of costs of the Project, including costs of issuance of the Series 2011 Bond.

Section 9. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 2011 Bond hereby and by the Ordinance approved and provided for, to the end that the Series 2011 Bond may be delivered to the Authority pursuant to the Bond Purchase Agreement on March 3, 2011.

Section 10. The acquisition and construction of the Project, the payment of the Series 2008 Note and the financing thereof in part with proceeds of the Series 2011 Bond are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 11. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Ordinance held by the Depository Bank until expended, in money market accounts secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to invest all moneys in such money market accounts until further directed in writing by the Issuer. Moneys in the Sinking Funds and the Reserve Accounts for the Series 2011 Bond shall be invested by the Commission in the West Virginia Consolidated Fund.

Section 12. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project and the Mayor is hereby authorized and directed to execute and deliver all such contracts.

Section 13. The Issuer hereby approves the costs of issuance and authorizes the payment of the same.

Section 14. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 14th day of February, 2011.

Mayor

City Clerk

CERTIFICATION

Certified as a true copy of a Supplemental Resolution duly adopted by the City Council of the City of Princeton on the 14th day of February, 2011.

Dated this 14th day of February, 2011.

[SEAL]

City Clerk

SRF-BPA-1
(01/11)

BOND PURCHASE AGREEMENT

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

CITY OF PRINCETON (2008S-1013/C-544281-01)
(Local Government)

W I T N E S S E T H:

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

Conditions to Purchase of Local Bonds; Issuance of Local Bonds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

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

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

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

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

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

(b) Covenants substantially as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE V

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

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

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

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

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

ARTICLE VI

Other Agreements of the Local Government

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

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

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

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

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

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

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

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

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF PRINCETON

(SEAL)

By: _____
Its: Mayor
Date: March 3, 2011

Attest:

_____
Its: Recorder

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

By: _____
Its: Director
Date: March 3, 2011

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Executive Director
Date: March 3, 2011

Attest:

_____
Its: Authorized Officer

EXHIBIT A

FORM OF PERFORMANCE CERTIFICATE

[To Be Provided By DEP]

EXHIBIT B

MONTHLY FINANCIAL REPORT

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

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

_____
Name of Person Completing Form

_____
Address

_____
Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

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

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

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

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

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

EXHIBIT C

PAYMENT REQUISITION FORM

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

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____

(Issuer)

_____

(Name of Bonds)

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

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

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

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

forth in Schedule attached hereto as Exhibit A, and my firm[1] has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof[2], the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Bond Purchase Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

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

_____

By _____
West Virginia License No. __

[SEAL]

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

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

EXHIBIT E

SPECIAL CONDITIONS

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

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

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

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

E. CLOSING REQUIREMENTS – The Local Government shall provide an acceptable CPA Certification regarding meeting the coverage requirement and a final NPDES Permit modification.

EXHIBIT F

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest	$____
Principal	$____
Total:	$____
Reserve Account:	$____

Witness my signature this ___ day of_____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

OPINION OF BOND COUNSEL FOR LOCAL GOVERNMENT

[To Be Dated as of Date of Closing]

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

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

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $9,100,000
Purchase Price of Local Bonds $9,100,000

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

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

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

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

As of the date of the Loan Agreement, the Local Bonds are on a parity as to liens, pledge and source of and security for payment with the following obligations of the Local Government: City of Princeton Sewer Refunding Revenue Bonds, Series 1996, dated August 15, 1996, issued in the original principal amount of $1,015,000, currently outstanding in the amount of $100,000.

Number of New Customers: 0
Location: N/A

SCHEDULE Y - DEBT SERVICE SCHEDULE

City of Princeton

CWSRF

0% Interest Rate, 0.5% Administrative Fee

30 years

Dated Date	3/3/2011
Delivery Date	3/3/2011

Period Ending	Principal	Interest	Debt Service
3/1/2013	75,834		75,834
6/1/2013	75,834		75,834
9/1/2013	75,834		75,834
12/1/2013	75,834		75,834
3/1/2014	75,834		75,834
6/1/2014	75,834		75,834
9/1/2014	75,834		75,834
12/1/2014	75,834		75,834
3/1/2015	75,834		75,834
6/1/2015	75,834		75,834
9/1/2015	75,834		75,834
12/1/2015	75,834		75,834
3/1/2016	75,834		75,834
6/1/2016	75,834		75,834
9/1/2016	75,834		75,834
12/1/2016	75,834		75,834
3/1/2017	75,834		75,834
6/1/2017	75,834		75,834
9/1/2017	75,834		75,834
12/1/2017	75,834		75,834
3/1/2018	75,834		75,834
6/1/2018	75,834		75,834
9/1/2018	75,834		75,834
12/1/2018	75,834		75,834
3/1/2019	75,834		75,834
6/1/2019	75,834		75,834
9/1/2019	75,834		75,834
12/1/2019	75,834		75,834
3/1/2020	75,834		75,834
6/1/2020	75,834		75,834
9/1/2020	75,834		75,834
12/1/2020	75,834		75,834
3/1/2021	75,834		75,834
6/1/2021	75,834		75,834
9/1/2021	75,834		75,834
12/1/2021	75,834		75,834
3/1/2022	75,834		75,834
6/1/2022	75,834		75,834
9/1/2022	75,834		75,834
12/1/2022	75,833		75,833
3/1/2023	75,833		75,833
6/1/2023	75,833		75,833
9/1/2023	75,833		75,833
12/1/2023	75,833		75,833

BOND DEBT SERVICE
City of Princeton
CWSRF

Period Ending	Principal	Interest	Debt Service
3/1/2024	75,833		75,833
6/1/2024	75,833		75,833
9/1/2024	75,833		75,833
12/1/2024	75,833		75,833
3/1/2025	75,833		75,833
6/1/2025	75,833		75,833
9/1/2025	75,833		75,833
12/1/2025	75,833		75,833
3/1/2026	75,833		75,833
6/1/2026	75,833		75,833
9/1/2026	75,833		75,833
12/1/2026	75,833		75,833
3/1/2027	75,833		75,833
6/1/2027	75,833		75,833
9/1/2027	75,833		75,833
12/1/2027	75,833		75,833
3/1/2028	75,833		75,833
6/1/2028	75,833		75,833
9/1/2028	75,833		75,833
12/1/2028	75,833		75,833
3/1/2029	75,833		75,833
6/1/2029	75,833		75,833
9/1/2029	75,833		75,833
12/1/2029	75,833		75,833
3/1/2030	75,833		75,833
6/1/2030	75,833		75,833
9/1/2030	75,833		75,833
12/1/2030	75,833		75,833
3/1/2031	75,833		75,833
6/1/2031	75,833		75,833
9/1/2031	75,833		75,833
12/1/2031	75,833		75,833
3/1/2032	75,833		75,833
6/1/2032	75,833		75,833
9/1/2032	75,833		75,833
12/1/2032	75,833		75,833
3/1/2033	75,833		75,833
6/1/2033	75,833		75,833
9/1/2033	75,833		75,833
12/1/2033	75,833		75,833
3/1/2034	75,833		75,833
6/1/2034	75,833		75,833
9/1/2034	75,833		75,833
12/1/2034	75,833		75,833
3/1/2035	75,833		75,833
6/1/2035	75,833		75,833

BOND DEBT SERVICE
City of Princeton
CWSRF

Period Ending	Principal	Interest	Debt Service
9/1/2035	75,833		75,833
12/1/2035	75,833		75,833
3/1/2036	75,833		75,833
6/1/2036	75,833		75,833
9/1/2036	75,833		75,833
12/1/2036	75,833		75,833
3/1/2037	75,833		75,833
6/1/2037	75,833		75,833
9/1/2037	75,833		75,833
12/1/2037	75,833		75,833
3/1/2038	75,833		75,833
6/1/2038	75,833		75,833
9/1/2038	75,833		75,833
12/1/2038	75,833		75,833
3/1/2039	75,833		75,833
6/1/2039	75,833		75,833
9/1/2039	75,833		75,833
12/1/2039	75,833		75,833
3/1/2040	75,833		75,833
6/1/2040	75,833		75,833
9/1/2040	75,833		75,833
12/1/2040	75,833		75,833
3/1/2041	75,833		75,833
6/1/2041	75,833		75,833
9/1/2041	75,833		75,833
12/1/2041	75,833		75,833
3/1/2042	75,833		75,833
6/1/2042	75,833		75,833
9/1/2042	75,833		75,833
12/1/2042	75,834		75,834
	9,100,000	*	**9,100,000**

*Plus a quarterly administrative fee of $5,735.90 for a total Administrative expense of $688,308

U.S. DEPARTMENT OF COMMERCE
Economic Development Administration
The Curtis Center
Suite 140 South
Independence Square West
Philadelphia, Pennsylvania 19106-3323

RECEIVED
SEP 19 2008

SEP 16 2008

In reply refer to:
Investment No. 01-01-08[illegible]

Mr. Wayne C. Shumate
City Manager
City of Princeton
100 Courthouse Road
Princeton, WVa 24740

Dear Mr. Shumate:

We are pleased to inform you that the Economic Development Administration (EDA) has approved a Financial Assistance Award in an amount not to exceed $2,500,000 in response to your application for Federal assistance. This investment will consist of improvements and upgrading of the City of Princeton's wastewater treatment facility.

Enclosed are three signed copies of the Financial Assistance Award. Your agreement to the terms and conditions of the award should be indicated by the signature of your principal official on each of the signed copies of the Financial Assistance Award. Two of the executed copies should be returned to Willie C. Taylor, Regional Director, Philadelphia Regional Office, the Curtis Center, Suite 140 South, 601Walnut Street, Philadelphia, Pennsylvania 19106. If not signed and returned within 30 days of receipt, the Grants Officer may declare the Award null and void.

Please do not make any commitments in reliance on this award until you have carefully reviewed the terms and conditions. Any commitments entered into prior to obtaining the approval of EDA in accordance with its regulations and requirements will be at your own risk.

EDA's mission is to lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy. EDA implements this mission by making strategic investments in the nation's most economically distressed communities that encourage private sector collaboration and creation of higher-skill, higher wage jobs. EDA investments are results driven, embracing the principles of technological innovation, entrepreneurship and regional development.

I share your expectations regarding the impact of this investment and look forward to working with you to meet the economic development needs of your community.

Sincerely,

Willie C. Taylor
Regional Director

Enclosures

FORM CD-450 (REV 10/03) U S. DEPARTMENT OF COMMERCE	X GRANT ☐ COOPERATIVE AGREEMENT
FINANCIAL ASSISTANCE AWARD	**AWARD PERIOD** Approval to 52 Months Thereafter
RECIPIENTS NAMES City of Princeton	**AWARD NUMBER** 01-01-08685
STREET ADDRESS 100 Courthouse Road	**FEDERAL SHARE OF COST** $2,500,000
CITY, STATE, ZIP CODE Princeton, West Virginia 24740	**RECIPIENT SHARE OF COST** $4,100,000
AUTHORITY (42 U.S.C. 3121 et. seq); PWEDA, as Amended; P.L. 108-373,118 Stat. 1756 October 27, 2004.	**TOTAL ESTIMATED COST** $6,600,000

CFDA NO. AND PROJECT TITLE 11.300 – Public Works Grant – Project consists of the improvements and upgrading of the City's wastewater treatment facility.

BUREAU	FUND	FCFY	PROJECT-TASK	ORGANIZATION	OBJECT CLASS
20	40	08	0108685	01	4110

This Award approved by the Grants Officer is issued in triplicate and constitutes an obligation of Federal funding. By signing the three documents, the Recipient agrees to comply with the Award provisions checked below and attached. Upon acceptance by the Recipient, two signed Award documents shall be returned to the Grants Officer and the third document shall be retained by the Recipient. If not signed and returned without modification by the Recipient within 30 days of receipt, the Grants Officer may unilaterally terminate this Award.

X Economic Development Administration Standard Terms and Conditions Title II Public Works and Development Facilities and Economic Adjustment Construction Components - October 2007, as amended on 12/13/07.

X Special Award Conditions

X Line Item Budget

15 CFR Part 14, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, Other Non-Profit, and Commercial Organizations

X 15 CFR Part 24, Uniform Administrative Requirements for Grants and Agreements to State and Local Governments

OMB Circular A-21, Cost Principles for Educational Institutions

X OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments

OMB Circular A-122, Cost Principles for Nonprofit Organizations

48 CFR Part 31, Contract Cost Principles and Procedures

X OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations

SIGNATURE OF DEPARTMENT OF COMMERCE GRANTS OFFICER	TITLE Acting Regional Director	DATE SEP 16 2008
TYPED NAME AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL Wayne C. Shumate Wayne C Shumate	TITLE City Manager City of Princeton	DATE 9-24-2008

Project # 01-01-08685

ACH VENDOR/MISCELLANEOUS PAYMENT ENROLLMENT FORM

OMB No. 1510-0056
Expiration Date 01/31/2000

This form is used for Automated Clearing House (ACH) payments with an addendum record that contains payment-related information processed through the Vendor Express Program. Recipients of these payments should bring this information to the attention of their financial institution when presenting this form for completion.

PRIVACY ACT STATEMENT

The following information is provided to comply with the Privacy Act of 1974 (P.L. 93-579). All information collected on this form is required under the provisions of 31 U.S.C. 3322 and 31 CFR 210. This information will be used by the Treasury Department to transmit payment data, by electronic means to vendor's financial institution. Failure to provide the requested information may delay or prevent the receipt of payments through the Automated Clearing House Payment System.

AGENCY INFORMATION

FEDERAL PROGRAM AGENCY
Economic Development Administration (EDA)

AGENCY IDENTIFIER:	AGENCY LOCATION CODE (ALC):	ACH FORMAT:
01-01-08685	13-20-000-1	☐ CCD+ ☐ CTX ☐ CTP

ADDRESS: 14th & Constitution Avenue, N. W., Room 7217

Washington, D. C. 20230

CONTACT PERSON NAME:	TELEPHONE NUMBER:
	(215) 597-8733

ADDITIONAL INFORMATION:

PAYEE/COMPANY INFORMATION

NAME	SSN NO. OR TAXPAYER ID NO.
City of Princeton	55-6000237

ADDRESS
100 Courthouse Road

Princeton WV 24740

CONTACT PERSON NAME:	TELEPHONE NUMBER:
Wayne Shumate - City Manager	(304) 487-5020

FINANCIAL INSTITUTION INFORMATION

NAME:
Branch Banking and Trust Company

ADDRESS:
1309 Stafford Drive

Princeton WV 24740

ACH COORDINATOR NAME:	TELEPHONE NUMBER:
	(304) 487-5900

NINE-DIGIT ROUTING TRANSIT NUMBER: 0 5 1 5 0 3 3 9 4

DEPOSITOR ACCOUNT TITLE:
Princeton Sanitary Board Sewer Upgrade

DEPOSITOR ACCOUNT NUMBER:	LOCKBOX NUMBER:
0005175954904	

TYPE OF ACCOUNT:
☒ CHECKING ☐ SAVINGS ☐ LOCKBOX

SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL. (Could be the same as ACH Coordinator)	TELEPHONE NUMBER:
Frances E. Fry, AVP	(304) 487-5983

NSN 7540-01-274-9925

AGENCY COPY

SF 3881 (Rev 12/90)
Prescribed by Department of Treasury
31 U S C 3322; 31 CFR 210

Form ED-508

U. S. DEPARTMENT OF COMMERCE
Economic Development Administration

PUBLIC WORKS PROJECT COST CLASSIFICATIONS

EDA Award No. 01-01-08685	State	West Virginia
Cost Classification	Proposed	Approved
Administrative and legal expenses	$ 180,000	$ 180,000
Land, structures, rights-of-way, appraisals, etc.		
Relocation expenses and payments		
Architectural and engineering fees	365,000	365,000
Other architectural and engineering fees	40,000	40,000
Project inspection fees	150,000	150,000
Site Work		
Demolition and removal		
Construction	5,797,000	5,797,000
Equipment		
Miscellaneous		
Contingencies	68,000	68,000
TOTAL PROJECT COSTS	$6,600,000	$6,600,000

Explanation of Changes:

U. S. DEPARTMENT OF COMMERCE
ECONOMIC DEVELOPMENT ADMINISTRATION

Special Award Conditions of Financial Assistance Award for Public Works and Development Facilities under Section 201 of the Economic Development Administration Reauthorization Act of 2004 (P. L. 108-373)

 Award No.: 01-01-08685

RECIPIENT: City of Princeton, West Virginia

PROJECT SCOPE: This investment will consist of improvements and upgrading of the City of Princeton's wastewater treatment facility. The work elements include an upgrade to the primary clarifiers, the redesign and upgrade of the aeration basins, addition of a third clarifier to increase plant capacity, installation of a UV disinfection system, and an upgrade of the sludge treatment and handling system, upgrade existing lift station and appurtenances.

SPECIAL AWARD CONDITIONS

1. **PROJECT DEVELOPMENT TIME SCHEDULE**: The Recipient agrees to the following Project development time schedule:

   Time allowed after receipt of Financial Assistance Award for:

   Return of the Affirmed Financial Assistance Award. . . . . 30 days
   Start of Construction. . . . . 24 months
   Construction Period . . . . . 24 months

   Project Closeout - All Project closeout documents, including final financial information and any required program reports, shall be submitted to the Government not more than 90 days after the date the Recipient accepts the completed Project from the contractor(s).

   The Recipient shall pursue diligently the development of the Project so as to ensure completion of the Project and submission of closeout documents within this time schedule. Moreover, the Recipient shall notify the Government in writing of any event which could delay substantially the achievement of the Project within the prescribed time limits. The Recipient further acknowledges that failure to meet the development time schedule may result in the Government's taking action to terminate the Award in accordance with the regulations set forth at 13 CFR 305.99(b) and 15 CFR 24.43 (53 Fed. Reg. 8048-9, 8102, March 11, 1988).

2. **GOALS FOR WOMEN AND MINORITIES IN CONSTRUCTION**: Department of Labor regulations set forth in 41 CFR 60-4 establish goals and timetables for participation of minorities and women in the construction industry. These regulations apply to all Federally assisted construction contracts in excess of $10,000. The Recipient shall comply with these regulations and shall obtain compliance with 41 CFR 60-4 from contractors and subcontractors employed in the completion of the Project by including such notices, clauses and provisions in the Solicitations for Offers or Bids as required by 41 CFR 60-4. The goal for the participation of women in each new project area shall be as follows: From April 1, 1981, until further notice: 6.9 percent. All changes to this goal, as published in the Federal Register in accordance with the Office of Federal Contract Compliance Programs regulations at 41 CFR 60-4.6, or any

successor regulations, shall hereafter be incorporated by reference into these Special Award Conditions. Goals for minority participation shall be as prescribed by Appendix B-80, Federal Register, Volume 45, No. 194, October 3, 1980, or subsequent publications. The Recipient shall include the "Standard Federal Equal Employment Opportunity Construction Contract Specifications" (or cause them to be included, if appropriate) in all Federally assisted contracts and subcontracts. The goals and timetables for minority and female participation may not be less than those published pursuant to 41 CFR 60-4.6.

3. **EXPIRATION OF AVAILABILITY OF GRANT FUNDS**: Because the grant funds for the Project by Statute are available until expended, the provisions of Public Law 101-510, enacted November 5, 1990, section 1405, amending sub chapter IV of chapter 15, title 31, U.S.C., are not applicable to the grant for the Project. The deletion of references to Public Law 101-510 from Part A, Section 3 notwithstanding, in keeping with appropriate and satisfactory project management, the grant funds obligated for the Project will expire five (5) years from the fiscal year of the Grant Award. This requires that the Project be physically and financially completed by September 30, 2013.

4. **PERFORMANCE MEASURES**: The grantee agrees to report on program performance measures and program outcomes in such form and at such intervals as may be prescribed by EDA in compliance with the Government Performance and Results Act of 1993. Performance measures and reporting requirements that presently apply to program activities funded by this grant are enclosed for your information, but are subject to change. EDA will advise grantees in writing within a reasonable period prior to the time of submission of the reports in the event that there are any modifications in the performance measures.

5. **REPORTING UNLIQUIDATED OBLIGATIONS**: All Recipients of an EDA grant award of more than $100,000 whose grant has not been fully disbursed as of the end of each reporting period are required to submit a financial report to EDA annually on the status of unreimbursed obligations. The report will provide information on the amount of allowable project expenses that have been incurred by the Recipient but not claimed for reimbursement as of the end of the reporting period.

   The report will be as of September 30 of each year and must be submitted annually until the final grant payment is made by EDA. The report shall be submitted to EDA no later than October 30 of each year. Noncompliance with this requirement will result in the suspension of EDA grant disbursements. Standard Form 269A, Financial Status Report, will be used for this purpose. Instructions for completing and filing the report will be furnished to the Recipient at least 60 days before the report is due.

6. **DELAYED PROGRESS**: If significant construction (as determined by EDA) is not commenced within two years of the approval of the Investment or by the date estimated for start of construction in the investment award (or the expiration of any extension granted in writing by EDA), whichever is later, the EDA award will be automatically suspended and may be terminated if EDA determines, after consultation with the award Recipients, that construction to completion cannot reasonably be expected to proceed promptly and expeditiously.

7. **TITLE OPINION:** Prior to the advertisement of construction bids and prior to the initial disbursement of funds by EDA, the Recipient shall submit to the Regional Office, the required opinion of title that is required under the EDA's *Standard Terms and Conditions for Construction Projects*, Section M, Paragraph 3.

8. **ARCHITECT/ENGINEER AGREEMENT:** Prior to the disbursement of funds by EDA, the Recipient shall submit to the Government for approval an Architect/Engineer Agreement which meets the requirements contained in the EDA's *Summary of EDA Construction Standards.* The agreement must provide for all services required by the Recipient for the design and engineering phases of the project. The recipient must select the architect/engineer in accordance with the procurement standards set forth in 15 C.F.R. parts 14 or 24, as applicable. Unless EDA has approved a different type of award, the compensation to the architect/engineer for basic services must be either a fixed price or a cost reimbursement with an agreed maximum to be eligible for EDA participation. The amount of EDA participation will be based on EDA's determination (subject to audit) that the compensation is reasonable. The "cost-plus-a-percentage-of-cost" and "percentage of construction cost" methods of contracting are specifically prohibited. *See* 15 C.F.R. §§ 14.44(c) or 24.36(f)(4), as applicable.

9. **GRANT ADMINISTRATION SERVICES AGREEMENT:**
If the Recipient elects to have the grant administration services required for the Project to be performed by persons other than the Recipient's staff, prior approval must be obtained from the Government in order for the cost of such services to be eligible for Federal participation.

   Procurement of grant administration services under a professional services contract by negotiation with a single source may be permitted only if it can be demonstrated to the Government's satisfaction that the award of a professional services contract is infeasible under small purchase procedures, sealed bids, or competitive proposals. The procurement of such services shall be governed by regulations at 15 CFR Part 24.36.

   An Economic Development District may provide grant administration services for the Recipient provided that the services meet the requirements of EDA regulations at 13 CFR 316.19.

10. **MATCHING SHARE:** In affirming this Award, the Recipient certifies that the non-federal share of Project costs is committed and is available as needed for the Project, that the non-federal share is from sources which can be used as match for the EDA Project, and that the non-federal share will not affect ownership of, or title to, the Project facilities. The Recipient further acknowledges that, prior to award of any construction contracts, it will be required to provide the Regional Office with evidence satisfactory to the Government that all funds necessary to complete the Project are available. *See also Standard Terms and Conditions for Construction Projects, Section B, Paragraph 3.*

11. **PROGRAM INCOME:** In affirming this Award, the Recipient agrees to use the income generated from the project facility in the following order of priority:

    a. Administration, operation and maintenance of the project facilities for their useful life in a manner consistent with good property management practice and in accordance with the established building codes. This may include, where applicable, the repayment of indebtedness resulting from any legal encumbrance (e.g. mortgage) on the EDA-assisted project facility.

    b. Economic development activities that are authorized for support by EDA, provided such activities are within the designated area.

    Prior to the final disbursement of the grant funds, the Recipient will develop and furnish to EDA for approval, an income reutilization plan to demonstrate an intent that the funds generated from the EDA-assisted project shall be expended for the purpose established above. Any changes made to the plan during the useful life of the project shall also be submitted to EDA for its review and approval.

U.S. DEPARTMENT OF COMMERCE
ECONOMIC DEVELOPMENT ADMINISTRATION

STANDARD TERMS AND CONDITIONS FOR CONSTRUCTION PROJECTS

Title II
Public Works and Economic Development Facilities
and
Economic Adjustment Assistance Construction Components

OCTOBER 2007
(as amended on December 13, 2007)

U.S. DEPARTMENT OF COMMERCE
ECONOMIC DEVELOPMENT ADMINISTRATION

STANDARD TERMS AND CONDITIONS FOR CONSTRUCTION PROJECTS

Title II
Public Works and Economic Development Facilities
and
Economic Adjustment Assistance Construction Components

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12. The Wild and Scenic Rivers Act, as amended, (16 U.S.C. § 1271 *et seq.*) 30
13. The Fish and Wildlife Coordination Act, as amended, (16 U.S.C. § 661 *et seq.*) 30
14. The Endangered Species Act of 1973, as amended, (16 U.S.C. § 1531 *et seq.* 30
15. The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA") (42 U.S.C. § 9601 *et seq.*), as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. § 9662 *et seq.*) 30
16. The Resource Conservation and Recovery Act of 1976, as amended, (42 U.S.C. § 6901 *et seq.*) .. 30
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APPENDIX 38

PREFACE

Terms and Conditions of the Award. This financial assistance award on Form CD-450 (this "Award"), executed by the Economic Development Administration ("EDA") and the Recipient, together with the EDA-approved project budget and scope of work, these construction standard terms and conditions, special award conditions, and all applicable federal statutory and regulatory requirements as incorporated by reference (e.g., all applicable statutes, regulations, Executive Orders, and Office of Management and Budget (OMB) Circulars), constitute the complete requirements, hereinafter referred to as the "Terms and Conditions," applicable to the EDA investment.

The Recipient and any subrecipient must, in addition to the assurances made as part of the application for investment assistance, comply with and require each of its contractors and subcontractors employed in the completion of the project to comply with the Terms and Conditions of this Award.

This Award is subject to the laws and regulations of the United States. Any inconsistency or conflict in the Terms and Conditions specified in this Award will be resolved according to the following order of precedence: public laws, regulations (including applicable notices published in the *Federal Register*), Executive Orders, OMB Circulars, EDA's construction standard terms and conditions, and special award conditions. A special award condition may take precedence on a case-by-case basis over a construction standard term or condition when warranted by specific project circumstances.

Some of EDA's construction terms and conditions herein contain, by reference or substance, a summary of the pertinent statutes or regulations published in the *Federal Register* or the *Code of Federal Regulations* ("C.F.R."), Executive Orders, OMB Circulars, or the assurances required of the Recipient (*See* Forms SF-424B and SF-424D). To the extent that it is a summary, such provision is not in derogation of, or an amendment to, any such statute, regulation, Executive Order, OMB Circular, or assurance.

ECONOMIC DEVELOPMENT ADMINISTRATION
STANDARD TERMS AND CONDITIONS
FOR CONSTRUCTION PROJECTS

Title II - Public Works and Economic Development Facilities
and
Title II - Economic Adjustment Construction Components

A. **General Requirements and Responsibilities.**

1. **Purpose.** The Economic Development Administration's ("EDA") grants for (i) public works (42 U.S.C. § 3141) and (ii) economic adjustment (42 U.S.C. § 3149) projects are designed to enhance regional competitiveness and promote long-term economic development in regions experiencing substantial economic distress. EDA provides construction, design, and engineering grants to assist distressed communities and regions revitalize, expand, and upgrade their physical infrastructure to attract new industry, encourage business expansion, diversify local economies, and generate or retain long-term private sector jobs and investment. The requirements set forth in these construction standard terms and conditions (the "Construction Standard Terms and Conditions") are applicable to construction, design, and engineering projects funded in whole or in part by EDA. Any necessary modifications of these requirements will be addressed in special award conditions to accommodate individual projects. In addition, these Construction Standard Terms and Conditions apply to construction projects of revolving loan funds ("RLFs") awarded between 1975 and 1999 under EDA's Title IX Economic Adjustment Assistance Program, as well as to RLFs funded after February 11, 1999 under section 209 of PWEDA (42 U.S.C. § 3149).

2. **Authority and Policies.** EDA is a bureau within the U.S. Department of Commerce established under the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. § 3121 *et seq.*) ("PWEDA"). (*See also* 13 C.F.R. § 300.1.) As a federal agency, EDA is obligated to promulgate regulations and establish policies and procedures to:

   a. Ensure compliance with applicable federal requirements;
   b. Safeguard the public's interest in the grant assets; and
   c. Promote the effective use of grant funds in accomplishing the purpose(s) for which they were awarded.

   The Department or EDA may issue changes from time to time to the regulations and other requirements and policies that apply to this Award. Such changes may upon occasion increase administrative or programmatic flexibility in administering this Award in a manner that is mutually beneficial to EDA and to the Recipient. The implementation of any such regulatory, administrative, or programmatic change in administering this Award must have prior EDA written approval.

   EDA's policy is to administer all Awards uniformly; however, there may be special circumstances that warrant a variance. To accommodate these circumstances and to encourage innovative and creative ways to address economic development problems, EDA will consider requests for variances to the procedures set out in these Construction Standard Terms and Conditions if they do not conflict with applicable federal statutory and regulatory requirements, are consistent with the goals of EDA's programs, and make sound economic and financial sense.

3. **Definitions.** Whenever used in these Construction Standard Terms and Conditions, the following words and phrases shall have the following meanings:

   a. "Assistant Secretary" refers to the Assistant Secretary of Commerce for Economic Development;
   b. "Award" – *see* the definition set out in the first paragraph of the *Preface* above;
   c. "Closeout" or "Project Closeout" refers to the process by which the Grants Officer determines that all applicable administrative actions and all required work under the Award has been completed by the Recipient and EDA;
   d. "Department" or "DOC" refers to the U.S. Department of Commerce;
   e. "Government" or "Federal Government" refers to EDA;
   f. "Grants Officer" refers to the Regional Director in the appropriate Regional Office;
   g. "Project Officer," refers to the EDA official responsible for technical or other programmatic aspects of the Award. During the post-approval stage of the Award, EDA generally assigns this role to an EDA Engineer/Construction Manager.
   h. "Project" refers to the activity for which the EDA grant was awarded;
   i. "Recipient" refers to the undersigned grantee of U.S. government funds under the Award to which this document is made a part;
   j. "Regional Office" refers to an EDA regional office;
   k. "Subrecipient" or "Subgrantee" refers to the legal entity to which a subaward is made and which is accountable to the Recipient for the use of grant funds (this term does not include subcontractors with whom the Recipient enters into a contractual agreement); and
   l. "Terms and Conditions of the Award" – *see* the definition set out in the first paragraph of the *Preface* above.

   Capitalized terms used but not otherwise defined in these Construction Standard Terms and Conditions have the meanings ascribed to them in EDA's regulations at 13 C.F.R. §§ 300.3, 302.20, 307.8, and 314.1.

4. **Grant Recipient as Trustee.** The Recipient holds grant funds and any EDA-assisted Project property in trust for the purpose(s) for which the Award was made. The Recipient's obligation to the Federal Government continues for the estimated useful life of the Project, as determined by EDA, during which EDA retains an undivided equitable reversionary interest (the "Federal Interest") in the property improved, in whole or in part, with the EDA investment. *See* 13 C.F.R. § 314.2.

   If EDA determines that the Recipient fails or has failed to meet this obligation, the agency may exercise any rights or remedies with respect to its Federal Interest in the Project. However, EDA's forbearance in exercising any right or remedy in connection with the Federal Interest does not constitute a waiver thereof.

B. **Financial Requirements.**

1. **Financial Reports.**

   a. While EDA generally does not advance funds under an Award, the Recipient must submit Form SF-272, "*Report of Federal Cash Transactions*," for any Award where funds are to be advanced to the Recipient. Form SF-272 is due 15 working days following the end of each quarter for an Award under $1 million, 15 working days following the end of each

month for an Award totaling $1 million or more per year, or as otherwise specified in a special award condition. *See* 15 C.F.R. §§ 14.52(a)(2) or 24.41(c), as applicable.

b. Any Recipient whose Award has not been fully disbursed is required to submit Form SF-269, "*Financial Status Report*" to EDA semi-annually to report on the status of unreimbursed obligations. This report will provide information on the amount of allowable Project expenses that have been incurred, but not claimed for reimbursement by the Recipient. The first report shall be as of March 30 of each year and shall be submitted to EDA no later than April 30 of each year, and the second report shall be of September 30 of each year and shall be submitted to EDA no later than October 30 of each year. Instructions for completing and submitting Form SF-269 will be furnished to the Recipient at least 60 days before the report is due.

c. The Recipient must submit a final financial report using Form SF-269 within 90 days of the expiration date of the Award (or from the date the Recipient accepts the Project from the contractor, whichever occurs earlier).

d. Noncompliance with these requirements will result in the suspension of disbursements under this Award.

e. Financial reports are to be submitted to the Project Officer.

2. **Disbursement Requests.**

a. *Method of Payment.* The Grants Officer determines the appropriate method of payment. Unless otherwise specified in a special award condition, the method of payment under this Award will be reimbursement. Payments will be made through electronic funds transfers directly to the Recipient's bank account and in accordance with the requirements of the Debt Collection Improvement Act of 1996 (31 U.S.C. § 3720B *et seq.*). The Award number shall be included on all payment-related correspondence, information, and forms.

b. *Disbursement Requests.* The Recipient shall use Form SF-271, "*Outlay Report and Request for Reimbursement for Construction Programs*," to request reimbursement under the Award. Substantiating invoices and/or vouchers also must be provided. Each request for the disbursement of funds shall be made to the Project Officer. Form SF-271 can be downloaded from OMB's website at www.whitehouse.gov/omb/grants/grants_forms.html.

c. *Initial Disbursement Request.* For the initial disbursement only, the Recipient must complete and submit Form SF-3881, "*ACH Vendor/Miscellaneous Payment Enrollment Form*," along with Form SF-271, to the Project Officer.

d. *Interim Disbursement Requests.* All requests for interim disbursement shall be submitted using Form SF-271 and include substantiating invoices and/or vouchers.

3. **Federal and Non-Federal Cost Sharing.**

a. Awards that include the federal and non-federal share incorporate an estimated budget consisting of shared allowable costs. If actual allowable costs are less than the total approved estimated budget, the federal share and non-federal share, or "Matching Share," shall be calculated by applying the approved federal and non-federal cost share ratios to

actual allowable costs. *See also* 13 C.F.R. §§ 305.10 and 308.2. If actual allowable costs are greater than the total approved estimated budget, the federal share shall not exceed the total federal dollar amount authorized by this Award.

b. The Matching Share, whether cash or in-kind, shall be paid out at the same rate as the federal share. Exceptions to this requirement may be granted by the Grants Officer based on sufficient documentation demonstrating previously determined plans for, or later commitment of, cash or in-kind contributions. In any case, the Recipient must meet its cost share commitment over the Award period.

c. The Recipient shall show that the Matching Share is committed to the Project, available as needed, and not conditioned or encumbered in any way that precludes its use consistent with the requirements of EDA investment assistance. *See* 13 C.F.R. § 301.5.

4. **Budget Revisions and Transfers of Funds Among Budget Categories**. The EDA-approved budget is the budget plan for the Project. The Recipient must notify EDA of any deviation from the budget or program plans, including any change in scope of work or the objective of the Project (even if there is no associated budget revision requiring prior written approval). *See* 15 C.F.R. §§ 14.25 or 24.30, as applicable.

a. Requests for budget revisions to the EDA-approved budget in accordance with the provisions provided below must be submitted to the Grants Officer, who shall make the final determination on such requests and notify the Recipient in writing.

b. Amendments to this Award require preparation of Form CD-451, "*Amendment to Financial Assistance Award,*" for execution by both the Grants Officer and the Recipient. Form CD-451 is required for the following:

(i) Changes to the Project scope of work;
(ii) Budget revisions requiring additional EDA or non-EDA funds;
(iii) Budget revisions that result in cumulative transfer among direct cost categories in excess of 10 percent of the project cost and the federal share is greater than $100,000;
(iv) The inclusion of costs for which EDA's prior approval is needed under the following OMB Circulars: Circular A-21, "*Cost Principles for Educational Institutions*" (2 C.F.R. part 220); Circular A-87, "*Cost Principles for State, Local, and Indian Tribal Governments*" (2 C.F.R. part 225); and Circular A-122, "*Cost Principles for Non-Profit Organizations*" (2 C.F.R. part 230), as applicable;
(v) Change of site location;
(vi) Change or addition of Recipient;
(vii) Time extensions; and
(viii) Modifications to the Terms and Conditions of the Award, other than time extensions.

c. When an Award supports both construction and non-construction work, the Recipient must obtain prior written approval from the Grants Officer before making any fund or budget transfer from non-construction to construction or vice versa. *See* 15 C.F.R. §§ 14.25(j) or 24.30(c)(3), as applicable.

d. Transfers shall not be permitted if such transfers would cause any federal appropriation, or part thereof, to be used for purposes other than those intended. This transfer authority does not authorize the Recipient to create new budget categories within an approved budget

unless the Grants Officer has provided prior written approval. In addition, this does not prohibit the Recipient from requesting the Grants Officer's approval for revisions to the budget. *See* 15 C.F.R. §§ 14.25(e) and (f) or 24.30(c), as applicable.

e. The Recipient is not authorized at any time to transfer amounts budgeted for direct costs to the indirect costs line item or vice versa, without written prior approval of the Grants Officer.

f. *Project Underrun Amounts.* Underrun amounts shall be transferred to the contingencies line item. Contingency funds are to be used to address situations resulting from unknown conditions and changes required for the fulfillment of authorized activities under this Award. EDA may approve the use of underrun funds to increase the federal share of the Project or further improve the Project, as long as the improvements are approved by EDA and consistent with the original purpose of the approved EDA investment. *See* 13 C.F.R. § 308.1.

g. *Additional EDA Funding in Case of Project Overrun Amounts.* In accepting the Award, the Recipient agrees to fund any overrun amounts. Additional EDA assistance for an approved Project may not be approved.

5. **Indirect Costs.**

a. Indirect costs are generally not applicable under this Award.

b. When indirect costs are applicable, they will not be allowable charges against the Award unless specifically included as a line item in the EDA-approved budget. For Recipients that are educational institutions, the term "indirect cost" has been replaced with the term "facilities and administrative cost" under OMB Circular A-21, "*Cost Principles for Educational Institutions*" (*see* 2 C.F.R. part 220).

c. Excess indirect costs may not be used to offset unallowable direct costs.

d. If the Recipient has not previously established an indirect cost rate with a federal agency, the negotiation and approval of a rate is subject to the procedures in applicable cost principles and the following subparagraphs:

(i) *State, local, and Indian Tribal Governments; Educational Institutions; and Non-Profit Organizations (Non-Commercial Organizations)*

For the above-listed organizations, "cognizant federal agency" is generally defined as the agency that provides the largest dollar amount of direct federal funding. For those organizations for which DOC is cognizant or has oversight, DOC or its designee will either negotiate a fixed rate with carry-forward provisions for the Recipient or, in some instances, will limit its review to evaluating the procedures described in the Recipient's cost allocation methodology plan. Indirect cost rates and cost allocation methodology reviews are subject to future audits to determine actual indirect costs.

(ii) Within 90 days of the Award start date, the Recipient shall submit to the address listed below documentation (indirect cost proposal, cost allocation plan, etc.) necessary to perform the review. The Recipient shall provide the Grants Officer with a copy of the transmittal letter.

Office of Acquisition Management
U.S. Department of Commerce
14th Street and Constitution Avenue, N.W., Room # 6054
Washington, DC 20230

(iii) The Recipient can use the fixed rate proposed in the indirect cost plan until such time as DOC provides a response to the submitted plan. Actual indirect costs must be calculated annually and adjustments made through the carry-forward provision used in calculating next year's rate. This calculation of actual indirect costs and the carry-forward provision is subject to audit. Indirect cost rate proposals must be submitted annually. An organization that has previously established indirect cost rates must submit a new indirect cost proposal to the cognizant agency within six months after the close of the Recipient's fiscal years.

e. When DOC is not the oversight or cognizant federal agency, the Recipient shall provide the Grants Officer with a copy of a negotiated rate agreement or a copy of the transmittal letter submitted to the cognizant or oversight federal agency requesting a negotiated rate agreement.

f. If the Recipient fails to submit the required documentation to DOC within 90 days of the Award start date, the Grants Officer may amend the Award to preclude the recovery of any indirect costs under the Award. If the DOC, oversight, or cognizant federal agency determines there good and sufficient cause to excuse the Recipient's delay in submitting the documentation, an extension of the 90-day due date may be approved by the Grants Officer.

g. Regardless of any approved indirect cost rate applicable to the Award, the maximum dollar amount of allocable indirect costs for which DOC will reimburse the Recipient shall be the lesser of:

(i) The line item amount for the federal share of indirect costs contained in the approved budget of the Award; or
(ii) The federal share of the total allocable indirect costs of the Award based on the indirect cost rate approved by a cognizant or oversight federal agency and current at the time the cost was incurred, provided the rate is approved on or before the Award end date.

6. **Incurring Costs Prior to Award.** Project activities carried out prior to EDA's approval of this Award shall be carried out at the sole risk of the Recipient. Such activity is subject to the rejection of the application, the disallowance of costs, or other adverse consequences as a result of noncompliance with EDA or federal law, including but not limited to procurement requirements, civil rights requirements, federal labor standards, or environmental and historic preservation requirements. Costs must be included in the EDA-approved budget and must be allowable costs under federal cost principles and under the Award. *See* 13 C.F.R. § 302.8.

7. **Incurring Costs or Obligating Funds Beyond the Project Expiration Date.**

a. The Recipient shall not incur costs or obligate funds for any purpose pertaining to the Project, program, or activities beyond the expiration date stipulated in this Award (or the

date of acceptance of the Project by the contractor, whichever occurs earlier), unless a written time extension of this Award is granted by the Grants Officer. The only costs that are authorized for a period of up to 90 days following that date are those strictly associated with Closeout activities. Closeout activities are generally limited to the preparation of final reports. *See* 15 C.F.R. §§ 14.71 or 24.50, as applicable.

b. The Recipient shall adhere to the development time schedule and time limits set out in the Terms and Conditions of this Award. Any such Term or Condition supersedes the development time schedule and time limits set out in these Construction Standard Terms and Conditions.

8. **Time Extensions.**

a. Unless otherwise authorized in 15 C.F.R. §§ 14.25(e)(2) or 24.30, as applicable, or a special award condition, any extension of the Project period can only be authorized by the Grants Officer in writing. A verbal or written assurance of funding from other than the Grants Officer, including Regional Office staff other than the Grants Officer, does not constitute authority to obligate funds for programmatic activities beyond the expiration date.

b. The Recipient is responsible for implementing the Project in accordance with the development time schedule contained in this Award. As soon as the Recipient becomes aware that it will not be possible to meet the development time schedule, the Recipient must notify the Grants Officer. The Recipient's notice to EDA must contain the following:

(i) An explanation of the Recipient's inability to complete work by the specified date (e.g., a lengthy period of unusual weather delayed the contractor's ability to excavate the site, major re-engineering required in order to obtain State or federal approvals, unplanned environmental mitigation required);
(ii) A statement that no other changes to the Project are contemplated;
(iii) Documentation that demonstrates there is still a bona fide need for the Project; and
(iv) A statement that no further delay is anticipated and that the Project can be completed within the revised time schedule.

EDA reserves the right to withhold disbursements while the Recipient is not in compliance with the time schedule. EDA reserves the right to suspend or terminate this Award if the Recipient fails to proceed with reasonable diligence to accomplish the Project as intended.

c. EDA has no obligation to provide any additional prospective funding. Any amendment of this Award to increase funding or to extend the period of performance is at the sole discretion of EDA.

9. **Tax Refunds.** Refunds of Federal Insurance Contributions Act and Federal Unemployment Tax Act ("FICA/FUTA") taxes received by the Recipient during or after the Project period must be refunded or credited to DOC where the benefits were financed with federal funds under the Award. The Recipient agrees to contact the Grants Officer immediately upon receipt of these refunds. The Recipient further agrees to refund portions of FICA/FUTA taxes determined to belong to the Federal Government, including refunds received after the expiration of this Award.

10. **Program Income.** For Projects that create long-term rental revenue (e.g., buildings or real property constructed or improved for the purpose of renting or leasing space), the Recipient agrees to use such income generated from the rental or lease of any Project facility in the following order of priority:

    a. Administration, operation, maintenance, and repair of Project facilities for their estimated useful life (as determined by EDA) in a manner consistent with good property management practice and in accordance with established building codes. This includes, where applicable, repayment of indebtedness resulting from any EDA-approved encumbrance (e.g., approved mortgage) on the EDA-assisted facility.

    b. Economic development activities that are authorized for support by EDA, provided such activities meet the economic development purposes of PWEDA.

    See 15 C.F.R. §§ 14.24 or 24.25, as applicable.

C. **Programmatic Requirements.**

1. **Quarterly Reporting.**

    a. Quarterly performance reports must be submitted in accordance with the procedures set out in 15 C.F.R. parts 14 or 24, as applicable, and as indicated below. Failure to submit required reports in a timely manner may result in the withholding of payments under this Award; deferral of processing of new awards, amendments, or supplemental funding pending the receipt of the overdue report(s); or the establishment of an account receivable for the difference between the total federal share of outlays last reported and the amount disbursed. *See* 13 C.F.R. § 302.18(a).

    b. Unless otherwise specified in this Award, the quarterly performance report will contain the following information for each Project program, function, or activity:

        (i) A comparison of planned and actual accomplishments according to the timetable or list of Project objectives in this Award;
        (ii) An explanation of any delays or failures to meet the Project timetable or Project goals; and
        (iii) Any other pertinent information including, when appropriate, analysis, and explanation of cost overruns or high unit costs.

    c. Quarterly performance reports shall be submitted for each calendar quarter to the Project Officer. Each performance report will be due not later than January 15, April 15, July 15, and October 15 for the immediate previous quarter. The final Project performance report shall be submitted to EDA no more than 90 days after the Project Closeout date. This reporting requirement begins with the Recipient's acceptance of this Award and ends when EDA approves Project Closeout. *See* 15 C.F.R. §§ 14.51 or 24.40, as applicable.

    The Recipient shall submit quarterly performance reports to the EDA Project Officer in hardcopy or electronically as specified in the special award conditions.

2. **Interim Reporting.** The Recipient must report any event that will or may have significant impact upon the Project, including delays or adverse conditions that materially may affect the

ability of the Recipient to attain Project objectives within established time periods or meet the development time schedule. The Recipient should report such events to the Project Officer in the most time-expedient way possible and then, if the initial report was not in writing, report the event to the Project Officer in writing. Such a report shall include a statement of the event or issue, a statement of the course of action contemplated to resolve the matter, and any federal assistance needed to resolve the situation. If budget changes are required, the Recipient must submit a written budget revision request. *See* 15 C.F.R. §§ 14.25(h) or 24.30(c)(2), as applicable.

3. **Government Performance and Results Act Reporting.** In addition to quarterly performance reports, EDA may require the Recipient to report on Project performance beyond the Project Closeout date for Government Performance and Results Act (GPRA) purposes. In no case shall the Recipient be required to submit any report more than ten years after the Project Closeout date. Data used by the Recipient in preparing reports shall be accurate and from independent sources whenever possible. *See* 13 C.F.R. § 302.16.

4. **Unsatisfactory Performance.** Failure to perform the work in accordance with the Terms and Conditions of the Award and maintain at least satisfactory performance at the discretion of EDA may result in the designation of the Recipient as high-risk and assignment of special award conditions or further action as specified in section C.7. of these Construction Standard Terms and Conditions. *See* 15 C.F.R. §§ 14.14 or 24.12, as applicable.

5. **Programmatic Changes.**

   a. The Recipient must report to the Grants Officer, and request prior approval for any programmatic change to the Award, in accordance with 15 C.F.R. §§ 14.25 or 24.30, as applicable.

   b. The Recipient must obtain the Grants Officer's written approval for any programmatic changes to the Award. Any changes made to the Project without EDA's approval are made at the Recipient's risk of nonpayment of costs, suspension, termination, or other EDA action with respect to the Award. *See* 13 C.F.R. § 302.7(b).

   c. *Contract Change Orders.* After construction contracts for the Project have been executed, it may become necessary to alter them. This requires a formal contract change order that must be issued by the Recipient and accepted by the contractor. All contract change orders must be reviewed by EDA, even if EDA is not participating in the cost of the change order or the contract price is to be reduced. Work on the Project may continue pending EDA review and approval of the change order, but all such work shall be at the Recipient's risk as to whether the cost of the work is eligible for EDA participation until the Recipient receives EDA approval for the change order. *See* 13 C.F.R. § 305.13.

6. **Other Federal Awards with Similar Programmatic Activities.** The Recipient shall immediately provide written notification to the Project Officer and the Grants Officer in the event that, subsequent to receipt of this Award, other financial assistance is received to support or fund any portion of the scope of work incorporated into this Award. EDA will not pay for costs that are funded by other sources.

7. **Noncompliance with Award Provisions.** Failure to comply with any or all of the Terms and Conditions of this Award may have a negative impact on the Recipient's ability to receive

future funding from the Department, including EDA, and may be considered grounds for any or all of the following actions: (a) the establishment of an account receivable; (b) withholding payments under any EDA or DOC Award(s) to the Recipient; (c) the imposition of additional special award conditions; (d) the suspension of any active DOC Awards; or (e) the termination of any active DOC Awards.

The Recipient hereby agrees that the Government may at its option withhold disbursement of any Award funds if the Government learns or has knowledge that the Recipient has failed to comply in any manner with any Term or Condition of the Award. *See* 13 C.F.R. § 302.18. The Government may withhold funds until the violation or violations have been corrected to the Government's satisfaction. The Recipient further agrees to reimburse the Government for any ineligible costs paid from Award funds, or if the Recipient fails to reimburse the Government, the Government shall have the right to offset the amount of such ineligible costs from any undisbursed award funds held by the Government. The Recipient agrees to repay the Government for all ineligible costs incurred in connection with the Project and paid from the Award including but not limited to those costs determined to be ineligible if the Government learns of any Award violations after all Award funds have been disbursed. *See* 15 C.F.R. §§ 14.72-14.73 or 24.51-24.52, as applicable.

8. **Use by Beneficiary.** In the event a beneficiary of the Project fails to comply in any manner with certifications, assurances, or agreements that such beneficiary has entered into in accordance with EDA's requirements, the Recipient will reimburse the Government the Award amount or an amount to be determined by the Government pursuant to 13 C.F.R. §§ 314.4 and 314.5. Where the Government determines that the failure of a beneficiary to comply with EDA requirements affects a portion of the property benefited by the Award, the Recipient will reimburse the Government proportionately.

9. **Prohibition Against Assignment by the Recipient.** Except as provided in a special award condition, the Recipient shall not transfer, pledge, mortgage, or otherwise assign the Award, or any interest therein, or any claim arising thereunder, to any party or parties, banks, trust companies, or other financing or financial institutions.

10. **Disclaimer Provisions; Hold Harmless Requirement.**

    a. The United States expressly disclaims any and all responsibility or liability to the Recipient or third persons for the actions of the Recipient or third persons resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this Award or any subaward or subcontract under this Award.

    b. The acceptance of this Award by the Recipient does not in any way constitute an agency relationship between the United States and the Recipient.

    c. To the extent permitted by law, the Recipient agrees to indemnify and hold the Government harmless from and against all liabilities that the Government may incur as a result of providing an Award to assist, directly or indirectly, in the preparation of the Project site or construction, renovation, or repair of any facility on the Project site, to the extent that such liabilities are incurred because of toxic or hazardous contamination or groundwater, surface water, soil, or other conditions caused by operations of the Recipient or any of its predecessors (other than the Government or its agents) on the property. *See* 13 C.F.R. § 302.19.

11. **Prohibition on Use of Third Parties to Secure Award.** Unless otherwise specified in the special award conditions to this Award, the Recipient warrants that no person or selling agency has been employed or retained to solicit or secure this Award upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees, or bona fide established commercial or selling agencies maintained by the Recipient for the purpose of securing business. For breach or violation of this warrant, the Government has the right to annul this Award without liability, or at its discretion, to deduct from the Award sum, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

12. **Payment of Attorneys' or Consultants' Fees.** No Award funds shall be used, directly or indirectly, to reimburse attorneys' or consultants' fees incurred in connection with obtaining investment assistance under PWEDA, such as, for example, preparing the application for EDA investment assistance. However, ordinary and reasonable attorneys' and consultants' fees incurred for meeting Award requirements, such as, for example, conducting a title search or preparing plans and specifications, may be eligible Project costs and may be paid out of Award funds, provided such costs are otherwise eligible. *See* 13 C.F.R. § 302.10.

13. **Commencement of Construction.**

    a. *Delayed Construction Starts.* If significant construction (as determined by EDA) is not commenced within two years of the Award date or by the date estimated for start of construction in this Award (or the expiration of any extension granted in writing by EDA), whichever is later, this Award will be automatically suspended and may be terminated if EDA determines, after consultation with the Recipient, that construction to completion cannot reasonably be expected to proceed promptly and expeditiously. If significant construction has not been commenced within three years of the Award date, an extension must be approved by the Assistant Secretary.

    b. *Early Construction Starts.* The Recipient shall make a written request to EDA for early construction start permission (that is, after the date of Award, but before EDA gives formal approval for construction to commence). For Project costs to be eligible for EDA reimbursement, EDA must determine that the award of all contracts necessary for design and construction of the Project facilities is in compliance with the Terms and Conditions of this Award. If construction commences prior to EDA's determination, the Recipient proceeds at its own risk until EDA's review and concurrence. *See* 13 C.F.R. § 305.11.

    c. *Project Sign.* The Recipient is responsible for constructing, erecting, and maintaining in good condition throughout the construction period a sign (or signs) in a conspicuous place at the Project site indicating that the Federal Government is participating in the Project. EDA will provide specifications for the sign and may require more than one sign if site conditions so warrant. If the EDA-recommended sign specifications conflict with State or local law, the Recipient may modify such recommended specifications so as to comply with State or local law. *See* 13 C.F.R. § 305.12.

14. **Efficient Administration of Project.** The Recipient agrees to properly and efficiently administer, operate, and maintain the Project for its estimated useful life, as required by section 504 of PWEDA (42 U.S.C. § 3194). If the Government determines, at any time during the estimated useful life of the facility, that the Project is not being properly and efficiently

administered, operated, and maintained, the Government may terminate this Award and require the Recipient to repay the Federal Share. *See* 13 C.F.R. §§ 302.12, 302.18, and 314.2-314.5.

15. **Conflicts-of-Interest Rules.**

a. An "Interested Party" is defined in 13 C.F.R. § 300.3 as "any officer, employee, or member of the board of directors or other governing board of the Recipient, including any other parties that advise, approve, recommend, or otherwise participate in the business decisions of the Recipient, such as agents, advisors, consultants, attorneys, accountants, or shareholders." An Interested Party includes the Interested Party's "Immediate Family" (defined in 13 C.F.R. § 300.3 as a person's spouse, parents, grandparents, siblings, children, and grandchildren, but does not include distant relatives, such as cousins, unless the distant relative lives in the same household as the person) and other persons directly connected to the Interested Party by law or through a business organization. In addition, "Immediate Family" includes an Interested Party's "significant other" or partner.

b. The Recipient must establish safeguards to prohibit an Interested Party from using its position for a purpose that constitutes or presents the appearance of personal or organizational conflicts-of-interest or of personal gain. *See* 13 C.F.R. § 302.17(a) and (b), 15 C.F.R. §§ 14.42 or 24.36(b)(3), as applicable, and Forms SF-424B ("*Assurances – Non-Construction Projects*") and SF-424D ("*Assurances – Construction Projects*").

c. An Interested Party must not receive any direct or indirect financial or personal benefits in connection with this Award or its use for payment or reimbursement of costs by or to the Recipient. A financial interest may include employment, stock ownership, a creditor or debtor relationship, or prospective employment with the organization selected or to be selected for a subaward. An appearance of impairment of objectivity could result from an organizational conflict where, because of other activities or relationships with other persons or entities, a person is unable or potentially unable to render impartial assistance or advice. It also could result from non-financial gain to the individual, such as benefit to reputation or prestige in a professional field. *See* 13 C.F.R. § 302.17(b).

16. **Record-Keeping Requirements.**

a. *Records.* The Recipient must maintain records that document compliance with the Terms and Conditions of this Award. At a minimum, the Recipient's records must fully disclose:

(i) The amount and disposition of EDA investment assistance;
(ii) All Project expenditures and procurement actions;
(iii) The total cost of the Project that the Award funds;
(iv) The amount and nature of the portion of Project costs provided by non- EDA sources;
(v) Contractor compliance with applicable federal requirements; and
(vi) Such other records as EDA determines will facilitate an effective audit.

b. *Records Retention.*

In general, all records pertinent to this Award must be kept retained for a period of three years from the date of submission of the final project expenditure report (the final Form SF-271 for disbursement). The only exceptions are the following:

(i) If any litigation, claim, or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved and final actions taken.
(ii) Records for real property and equipment acquired with federal funds must be retained for three years after final disposition.
(iii) When records are transferred or maintained by EDA, the three-year retention requirement is not applicable to the Recipient.

Records relating to indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations on the rate at which a particular group of costs is chargeable are subject to different retention requirements. *See* 15 C.F.R. §§ 14.53 or 24.42, as applicable.

The Recipient is responsible for monitoring any subrecipients and contractors to ensure their compliance with the records retention requirements. The Recipient must immediately notify the Project Officer in case records are not retained for the general retention periods noted above. *See* 13 C.F.R. § 302.14 and 15 C.F.R. §§ 14.50-14.53 or §§ 24.40-24.42, as applicable.

17. **Termination Actions.**

a. *Termination for Cause.* If the Recipient materially fails to comply with any of the Terms and Conditions of this Award, EDA has the right to terminate for cause all or any part of its obligation hereunder, including if:

(i) Any representation made by the Recipient to the Government in connection with the application for Government assistance is incorrect or incomplete in any material respect;
(ii) The intent and purpose and/or the economic feasibility of the Project is changed substantially so as to affect significantly the accomplishment of the Project as intended (including an unauthorized use of property as provided in 13 C.F.R § 314.4);
(iii) The Recipient has violated commitments it made in its application and supporting documents or has violated any of the Terms and Conditions of this Award;
(iv) The conflicts-of-interest rules in 13 C.F.R. § 302.17 are violated; or
(v) The Recipient fails to report immediately to the Government any change of authorized representative(s) acting in lieu of or on behalf of the Recipient.

In addition, EDA may take one or more of the actions set out in 15 C.F.R. §§ 14.62(a) or 24.43(a), as applicable.

b. *Termination for Convenience.* The Recipient may request at any time termination for convenience of this Award upon sending to the Grants Officer written notification in a form acceptable to EDA setting forth the reasons for requesting the termination and the effective date of such termination. *See* 15 C.F.R. §§ 14.61 or 24.44, as applicable.

18. **Project Closeout Procedures.** After construction is completed and the Project is closed out financially, the Recipient has an ongoing responsibility to properly administer, operate, and maintain the Project for its estimated useful life (as determined by EDA) in accordance with its original purpose. *See* 13 C.F.R. § 302.12. The Recipient must comply with all Award

requirements and maintain records to document such compliance, which shall be made available for inspection by EDA or other Government officials as required.

a. *Final Disbursement.* When Project construction and final inspection have been completed, or substantially completed as determined by EDA, and the Recipient has accepted the Project from the contractor, the Recipient can begin the Closeout process by submitting the following documentation to EDA:

   (i) A request for final disbursement on an executed Form SF-271;
   (ii) A written certification that all costs claimed are for eligible activities under this Award, for which there is documentation in the Recipient's records;
   (iii) An executed certificate of final acceptance signed by the Recipient and the Recipient's architect/engineer;
   (iv) The Recipient's certification that its currently valid single or program-specific audit in accordance with OMB Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*," if applicable, does not contain any material findings (if the Recipient's currently valid OMB Circular A-133 audit does contain material findings, the Recipient shall submit the applicable audit in hardcopy to the Grants Officer);
   (v) The Recipient's certification that its currently valid audit (in accordance with OMB Circular A-133), if applicable, has been submitted to the Federal Audit Clearinghouse; and
   (vi) Other documentation as may be required by EDA.

   EDA shall advise the Recipient of costs determined to be eligible and ineligible. If a balance of this Award is due to the Recipient, the balance will be paid by wire transfer. If the Recipient has received an amount in excess of the amount due the Recipient, the Recipient must refund the excess to EDA. The Recipient shall contact the Project Officer for refund instructions.

   As noted above, if the Recipient's currently valid OMB Circular A-133 audit contains material findings, the Recipient shall submit the audit in hardcopy to the Grants Officer before final disbursement.

b. The Recipient shall submit, within 90 calendar days after the Project Closeout date, all financial, performance, and other reports as required by the Terms and Conditions of this Award. Additional GPRA reporting requirements also may apply.

c. Unless EDA authorizes an extension, the Recipient shall liquidate all obligations incurred under this Award no later than 90 calendar days after acceptance of the Project from the contractor or before the expiration date of this Award, whichever occurs earlier.

d. The Closeout of this Award does not affect any of the following:

   (i) Audit requirements per OMB Circular A-133 and the related "*Compliance Supplement*;"
   (ii) The right of EDA to disallow costs and recover funds on the basis of a later audit or other Project review;
   (iii) The Recipient's obligation to return any funds due as a result of later corrections or other transactions; and

(iv) Requirements for property management, records retention, and performance measurement reports.

D. **Additional Requirements Relating to Construction Projects.**

The Recipient and any subrecipient(s) must, in addition to other statutory and regulatory requirements detailed in these Construction Standard Terms and Conditions and the assurances made to EDA in connection with the Award, comply and require each of its contractors and subcontractors employed in the completion of the Project to comply with all applicable federal, State, territorial, and local laws, and in particular, the following federal public laws (and the regulations issued thereunder), Executive Orders, OMB Circulars, and local law requirements.

1. **The Davis-Bacon Act, as amended (40 U.S.C. §§ 3141-3144, 3146, 3147; 42 U.S.C. § 3212)**
Requiring minimum wages for mechanics and laborers employed on Federal Government public works projects to be based on the wages the Secretary of Labor determines to be prevailing for the corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work in the civil subdivision of the State in which the Project is to be performed, or in the District of Columbia if the Project is to be performed there.

2. **The Contract Work Hours and Safety Standards Act, as amended (40 U.S.C. §§ 3701 – 3708)**
Providing work hour standards for every laborer and mechanic employed by any contractor or subcontractor in the performance of a federal public works project.

3. **The National Historic Preservation Act of 1966, as amended (16 U.S.C. § 470 *et seq.*), and the Advisory Council on Historic Preservation Guidelines**
Requiring projects involving federal funds to follow the requirements of the National Historic Preservation Act, which requires stewardship of historic properties.

4. **The Historical and Archeological Data Preservation Act of 1974, as amended (16 U.S.C. § 469a-1 et seq.)**
Requiring appropriate surveys and preservation efforts if a federally-licensed project may cause irreparable loss or destruction of significant scientific, prehistorical, historical, or archeological data.

5. **Architectural Barriers Act of 1968, as amended (42 U.S.C. § 4151 *et seq.*)**, and the regulations issued thereunder, which prescribe standards for the design and construction of any building or facility intended to be accessible to the public or that may house handicapped employees.

6. **The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. § 4601 *et seq.*)**, and implementing regulations issued at 49 C.F.R. part 24, which establish uniform policies for the fair and equitable treatment of persons, businesses, or farm operations affected by the acquisition, rehabilitation, or demolition of real property acquired for a Project financed wholly or in part with federal financial assistance.

7. **The Energy Conservation and Production Act (42 U.S.C. § 6834 *et seq.*)**
Establishing energy efficiency performance standards for the construction of new residential and commercial structures undertaken with federal financial assistance.

8. **Requirements for New Construction.** For new building construction projects, the Recipient will comply with current local building codes, standards, and other requirements applicable to the Project.

E. **Non-Discrimination Requirements.** No person in the United States shall, on the ground of race, color, national origin, handicap, age, religion, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving federal financial assistance. The Recipient agrees to comply with the following non-discrimination requirements.

1. **Statutory Provisions.**

a. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*) and DOC implementing regulations published at 15 C.F.R. part 8, which prohibit discrimination on the grounds of race, color, or national origin under programs or activities receiving federal financial assistance;

b. Title IX of the Education Amendments of 1972 (20 U.S.C. § 1681 *et seq.*), which prohibits discrimination on the basis of sex under federally-assisted education programs or activities;

c. Pub. L. No. 92-65, 42 U.S.C. § 3123, which proscribes discrimination on the basis of sex in EDA assistance provided under PWEDA; Pub. L. No. 94-369, 42 U.S.C. § 6709, which proscribes discrimination on the basis of sex under the Local Public Works Program; and the Department's implementing regulations at 15 C.F.R. §§ 8.7-8.15;

d. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), and DOC implementing regulations published at 15 C.F.R. part 8b, which prohibit discrimination on the basis of handicap under any program or activity receiving or benefiting from federal assistance;

e. The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101 *et seq.*) and DOC implementing regulations published at 15 C.F.R. part 20, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance;

f. The Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 *et seq.*), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by State and local governments or instrumentalities or agencies thereto, as well as public or private entities that provide public transportation; and

g. Other applicable federal statutes, regulations, and Executive Orders.

2. **Other Provisions.**

a. Parts II and III of Executive Order 11246 (30 Fed. Reg. 12319, 1965), as amended by Executive Order 11375 (32 Fed. Reg. 14303, 1967) and 12086 (43 Fed. Reg. 46501, 1978), requiring federally-assisted construction contracts to include the nondiscrimination provisions of §§ 202 and 203 of that Executive Order and Department of Labor regulations implementing Executive Order. 11246 (41 C.F.R. § 60-1.4(b), 1991).

b. Executive Order 13166 (August 11, 2000), "*Improving Access to Services for Persons With Limited English Proficiency*," and DOC policy guidance issued on March 24, 2003 (68 Fed. Reg. 14180) to federal financial assistance Recipients on the Title VI prohibition against national origin discrimination affecting Limited English Proficient ("LEP") persons.

3. **Title VII Exemption for Religious Organizations.**

Generally, Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000e *et seq.*), provides that it shall be an unlawful employment practice for an employer to discharge any individual or otherwise discriminate against an individual with respect to compensation, terms, conditions, or privileges of employment because of such individual's race, color, religion, sex, or national origin. However, Title VII, 42 U.S.C. § 2000e-1(a), expressly exempts from the prohibition against discrimination on the basis of religion, a religious corporation, association, educational institution, or society with respect to the employment of individuals of a particular religion to perform work connected with the carrying on by such corporation, association, educational institution, or society of its activities.

F. **Audits.**

Under the Inspector General Act of 1978, as amended (5 U.S.C. App. 3, § 1 *et seq.*), an audit of the Award may be conducted at any time. The Department's Inspector General ("OIG"), or any of his or her duly authorized representatives, shall have access to any pertinent books, documents, papers, and records of the Recipient, whether written, printed, recorded, produced, or reproduced by any electronic, mechanical, magnetic, or other process or medium, in order to make audits, inspections, excerpts, transcripts, or other examinations as authorized by law. When the OIG requires a program audit on a DOC Award, the OIG will usually make the arrangements to audit the Award, whether the audit is performed by OIG personnel, an independent accountant under contract with DOC, or any other federal, State, or local audit entity.

1. **Requirement to Have an OMB Circular A-133 Audit Performed; Organization-Wide, Program-Specific, and Project Audits.**

a. Organization-wide or program-specific audits shall be performed in accordance with the Single Audit Act Amendments of 1996, as implemented by OMB Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*," and the related "*Compliance Supplement.*" Recipients that expend federal awards of $500,000 or more in a fiscal year shall have an audit conducted for that year in accordance with the requirements contained in OMB Circular A-133. A copy of the audit shall be submitted to the Bureau of the Census, which has been designated by OMB as a central clearinghouse. The address is:

Federal Audit Clearinghouse
1201 E. 10th Street
Jeffersonville, IN 47132

b. In accordance with 15 C.F.R. § 14.26 (c) and (d), for-profit hospitals, commercial, and other organizations not covered by the audit provisions of OMB Circular A-133 that expend federal awards of $500,000 or more in a fiscal year, are required to have a program-specific audit performed at the conclusion of the Project, but no less than once every five years. Some DOC programs have specific audit guidelines that will be incorporated into

the Award. If DOC does not have a program-specific audit guide available for the program, the auditor should follow *Generally Accepted Government Auditing Standards* and the requirements for a program-specific audit as described in OMB Circular A-133 § ___.235. A copy of the program-specific audit shall be submitted to the OIG at the following address with a copy of the transmittal letter to the Grants Officer:

Office of Inspector General
U.S. Department of Commerce
Atlanta Regional Office of Audits
401 West Peachtree Street, N.W., Suite 2742
Atlanta, GA 30308

2. **Requirement to Submit Audit to EDA**. If the Recipient's currently valid audit required under OMB Circular A-133 contains materials findings, the Recipient must submit the audit in hardcopy to the Grants Officer. *See also* section C.18.a. of these Construction Standard Terms and Conditions.

3. **Audit Resolution Process.**

   a. An audit of the Award may result in the disallowance of costs incurred by the Recipient and the establishment of a debt (account receivable) due to EDA. For this reason, the Recipient should take seriously its responsibility to respond to all audit findings and recommendations with adequate explanations and supporting evidence whenever audit results are disputed.

   b. In accordance with the *Federal Register* notice dated January 27, 1989 (54 Fed. Reg. 4053), a Recipient whose Award is audited has the following opportunities to dispute the proposed disallowance of costs and the establishment of a debt:

      (i) Unless the OIG determines otherwise, the Recipient has 30 days from the date of the transmittal of the "Draft Audit Report" to submit written comments and documentary evidence.

      (ii) The Recipient has 30 days from the date of the transmittal of the "Final Audit Report" to submit written comments and documentary evidence. There shall be no extension of this deadline.

      (iii) EDA shall review the documentary evidence submitted by the Recipient and shall notify the Recipient of the results in an "Audit Resolution Determination Letter." The Recipient has 30 days from the date of receipt of the Audit Resolution Determination Letter to submit a written appeal. There shall be no extension of this deadline. The appeal is the last opportunity for the Recipient to submit written comments and documentary evidence that dispute the validity of the Audit Resolution Determination Letter.

      (iv) An appeal of the Audit Resolution Determination Letter does not prevent the establishment of the audit-related debt nor does it prevent the accrual of interest on such debt. If the Audit Resolution Determination Letter is overruled or modified on appeal, appropriate corrective action will be taken retroactively. An appeal will stay the offset of funds owed by the auditee against funds due to the auditee.

EDA shall review the Recipient's appeal and notify the Recipient of the results in an Appeal Determination Letter. After the opportunity to appeal has expired or after the

Appeal Determination Letter has been rendered, EDA will not accept any further documentary evidence from the Recipient. No other administrative appeals are available in the Department.

G. **Debts.**

1. **Payment of Debts Owed the Federal Government.**

Any debt determined to be owed to the Federal Government must be paid promptly by the Recipient. In accordance with 15 C.F.R. § 21.4, a debt will be considered delinquent if it is not paid within 15 days of the established due date or, if there is no due date, within 30 days of the billing date. Failure to pay a debt by the due date or, if there is no due date, within 30 days of the billing date, shall result in the imposition of late payment charges as noted below. In addition, failure to pay the debt or establish a repayment agreement by the due date or, if there is no due date, within 30 days of the billing date, will also result in the referral of the debt for collection action, including referral to the Treasury Offset Program (31 C.F.R. § 285.5) and may result in EDA taking further action as specified in section C.7. of these Construction Standard Terms and Conditions. The Recipient also may be suspended or debarred from further federal financial and non-financial assistance and benefits, as provided in 2 C.F.R. part 1326, "*Nonprocurement Debarment and Suspension*" until the debt has been paid in full or until a repayment agreement has been approved and payments are made in accordance with the repayment agreement. Payment of a debt may not come from other federally-sponsored programs. Verification that other federal funds have not been used will be made during future program visits and audits.

2. **Late Payment Charges.**

a. An interest charge shall be assessed on the delinquent debt as established by the Debt Collection Act of 1982, as amended (31 U.S.C. § 3701 *et seq.*). The minimum annual interest rate to be assessed is the U.S. Department of the Treasury's "Current Value of Funds Rate" ("CVFR"). *See* www.fms.treas.gov/cvfr/index.html. The U.S. Department of Treasury annually publishes the CVFR in the *Federal Register*. The assessed rate shall remain fixed for the duration of the indebtedness.

b. A penalty charge will be assessed on any portion of a debt that is delinquent for more than 90 days, although the charge will accrue and be assessed from the date the debt became delinquent.

c. An administrative charge will be assessed to cover processing and handling the amount due.

3. **Barring Delinquent Federal Debtors from Obtaining Federal Loans or Loan Insurance Guarantees.**

Pursuant to 31 U.S.C. § 3720B, unless waived, the Department is not permitted to extend financial assistance in the form of a loan, loan guaranty, or loan insurance to any person delinquent on a non-tax debt owed to a federal agency. This prohibition does not apply to disaster loans.

4. **Effect of Judgment Lien on Eligibility for Federal Grants, Loans, or Programs.**

Pursuant to 28 U.S.C. § 3201(e), unless waived by DOC, a debtor who has a judgment lien against the debtor's property for a debt to the United States shall not be eligible to receive any grant or loan that is made, insured, guaranteed, or financed directly or indirectly by the U.S. or to receive funds directly from the Federal Government in any program, except funds to which the debtor is entitled as beneficiary, until the judgment is paid in full or otherwise satisfied.

H. **Name Check Reviews.**

1. **Name Check Requirement.** A name check review will be performed by the OIG on key individuals associated with nonprofit organization applicants, unless: (a) the proposed award amount is $100,000 or less; (b) the applicant has been a Recipient of financial assistance from the Department for three or more consecutive years without any adverse programmatic or audit finding; or (c) the applicant is a unit of a State or local government. *See "Department of Commerce Pre-Award Notification Requirements for Grants and Cooperative Agreements"* (69 Fed. Reg. 78389, December 30, 2004).

2. **Exemptions.** The following individuals who are acting on behalf of their respective entities in applying for assistance are exempt from the name check review process:

   a. Officials of State and local governments;

   b. Officials of accredited colleges and universities; and

   c. Officials of economic development districts designated by EDA, including those entities whose designations are pending.

3. **Results of Name Checks.** EDA reserves the right to take any of the actions described in section H.4. below if any of the following occurs as a result of the name check review:

   a. A key individual fails to submit the required Form CD-346, "*Applicant for Funding Assistance*;"

   b. A key individual makes an incorrect statement or omits a material fact on Form CD-346; or

   c. The name check reveals significant adverse findings that reflect on the business integrity or responsibility of the applicant and/or key individual.

4. **Action(s) Taken as a Result of Name Check Review.** If any situation listed in section H.3. above occurs, the Department, at its discretion, may take one or more of the following actions:

   a. Consider suspension or termination of the Award;

   b. Require the removal of any key individual from association with the management or implementation of the Award; or

   c. Make appropriate provisions or revisions as needed (in the special award conditions to the Award) with respect to the method of payment and/or financial reporting requirements.

I. **Governmentwide Debarment and Suspension (Non-procurement).** The Recipient shall comply with the provisions of subpart C of 2 C.F.R. part 1326, "*Non-Procurement Debarment and Suspension,*" which generally prohibit entities that have been debarred, suspended, or voluntarily excluded from participating in federal non-procurement transactions either through primary or lower-tier covered transactions.

J. **Drug-free Workplace.** The Recipient shall comply with the provisions of the Drug-Free Workplace Act of 1988 (41 U.S.C. § 702), and the Department's implementing regulations found at 15 C.F.R. part 29, "*Government-wide Requirements for Drug-Free Workplace (Financial Assistance,)*" which require that the Recipient take steps to provide a drug-free workplace.

K. **Lobbying Restrictions.**

1. **Statutory Provisions.** The Recipient must comply with the provisions of 31 U.S.C. § 1352 and the Department's implementing regulations published at 15 C.F.R. part 28, "*New Restrictions on Lobbying.*" These provisions generally prohibit the use of federal funds for lobbying the executive or legislative branches of the United States government in connection with the Award and require the disclosure of the use of non-federal funds for lobbying.

2. **Disclosure of Lobbying Activities.** A Recipient receiving in excess of $100,000 in federal funding must submit a completed Form SF-LLL, "*Disclosure of Lobbying Activities,*" regarding the use of non-federal funds for lobbying. The Form SF-LLL must be submitted within 30 days following the end of the calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed. The Recipient must submit Form SF-LLL from all applicable parties, including those received from subrecipients, contractors, and subcontractors, to the Grants Officer.

3. **Special Provisions Relating to Indian Tribes.** As set out in 31 U.S.C. § 1352, there are special provisions applicable to Indian Tribes, tribal organizations, or other Indian organizations eligible to receive federal contracts, grants, loans, or cooperative agreements. In accordance with Departmental policy, EDA recognizes Tribal Employment Rights Ordinances ("TEROs"), which may provide for preferences in contracting and employment, in connection with its financial assistance awards. Tribal ordinances requiring preference in contracting, hiring, firing, and the payment of a TERO fee generally are allowable provisions under federal awards granted to American Indian and Alaska Native tribal governments. The payment of the TERO fee, which supports the tribal employment rights office to administer the preferences, should generally be allowable as an expense that is "necessary and reasonable for proper and efficient performance and administration" of an Award, as provided under the applicable cost principles set out in 2 C.F.R. part 225.

L. **Codes of Conduct and Subaward, Contract, and Subcontract Provisions.**

1. **Code of Conduct for Recipients.** Pursuant to the certification in Form SF-424B, paragraph 3, the Recipient must maintain written standards of conduct to establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflicts-of-interest or personal gain in the administration of this Award.

2. **Applicability of Award Provisions to Subrecipients.**

a. The Recipient shall require all subrecipients, including lower tier subrecipients, under the award to comply with the provisions of this Award, including applicable cost principles, administrative, and audit requirements.

b. A Recipient is responsible for subrecipient monitoring, including the following:

(i) *Award Identification* – At the time of the Award, identifying to the subrecipient the federal award information (e.g., *Catalog of Federal Domestic Assistance* ("CFDA") title and number, name of the federal agency, and the Award number) and applicable compliance requirements.

(ii) *During-the-Award Monitoring* – Monitoring the subrecipient's use of federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

(iii) *Subrecipient Audits* – Ensuring that a subrecipient expending federal awards of $500,000 or more during the subrecipient's fiscal year has met the audit requirements of OMB Circular A-133 and that the required audits are completed within nine months of the end of the subrecipient's audit period. In addition, the Recipient is required to issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of a subrecipient's continued inability or unwillingness to have the required audits, the pass-through entity shall take appropriate action using sanctions.

3. **Competition and Codes of Conduct for Subawards.**

a. All subawards will be made in a manner to provide, to the maximum extent practicable, open and free competition. The Recipient must be alert to organizational conflicts of interest as well as other practices among subrecipients that may restrict or eliminate competition. In order to ensure objective subrecipient performance and eliminate unfair competitive advantage, subrecipients that develop or draft work requirements, statements of work, or requests for proposals shall be excluded from competing for such subawards.

b. The Recipient shall maintain written standards of conduct governing the performance of its employees engaged in the Award and administration of subawards. No employee, officer, or agent shall participate in the selection, award, or administration of a subaward supported by federal funds if a real or apparent conflict-of-interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization in which he/she serves as an officer or which employs or is about to employ any of the parties mentioned in this section, has a financial interest or other interest in the organization selected or to be selected for a subaward. The officers, employees, and agents of the Recipient shall neither solicit nor accept anything of monetary value from subrecipients. However, the Recipient may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary

actions to be applied for violations of such standards by officers, employees, or agents of the Recipient.

c. A financial interest may include employment, stock ownership, a creditor or debtor relationship, or prospective employment with the organization selected or to be selected for a subaward. An appearance of impairment of objectivity could result from an organizational conflict where, because of other activities or relationships with other persons or entities, a person is unable or potentially unable to render impartial assistance or advice. It could also result from non-financial gain to the individual, such as benefit to reputation or prestige in a professional field.

4. **Applicability of Provisions to Subawards, Contracts, and Subcontracts.**

a. The Recipient shall include the following notice in each request for applications or bids:

Applicants/bidders for a lower tier covered transaction (except procurement contracts for goods and services under $25,000 not requiring the consent of a DOC official) are subject to 2 C.F.R. part 1326, subpart C, "*Governmentwide Debarment and Suspension (Nonprocurement)*." In addition, applicants/bidders for a lower tier covered transaction for a subaward, contract, or subcontract greater than $100,000 of federal funds at any tier are subject to 15 C.F.R. part 28, "*New Restrictions on Lobbying*." Applicants/bidders should familiarize themselves with these provisions, including the certification requirement. Therefore, applications for a lower tier covered transaction must include a Form CD-512, "*Certification Regarding Lobbying–Lower Tier Covered Transactions*," completed without modification.

b. The Recipient shall include a term or condition in all lower tier covered transactions (subawards, contracts, and subcontracts), that the Award is subject to subpart C of 2 C.F.R. part 1326, "*Governmentwide Debarment and Suspension (Nonprocurement)*."

c. The Recipient shall include a statement in all lower tier covered transactions (subawards, contracts, and subcontracts) exceeding $100,000 in federal funds, that the subaward, contract, or subcontract is subject to 31 U.S.C § 1352, as implemented at 15 C.F.R. part 28, regarding new restrictions on lobbying. The Recipient shall further require the subrecipient, contractor, or subcontractor to submit a completed Form SF-LLL, "*Disclosure of Lobbying Activities*," regarding the use of non-federal funds for lobbying. The Form SF-LLL shall be submitted within 15 days following the end of the calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed. The Form SF-LLL shall be submitted from tier to tier until received by the Recipient. The Recipient must submit all disclosure forms received, including those that report lobbying activity on its own behalf, to the Grants Officer within 30 days following the end of the calendar quarter.

5. **Minority-Owned Business Enterprise.** DOC encourages Recipients to utilize minority- and women-owned firms and enterprises in contracts under financial assistance awards. The Minority Business Development Agency will assist Recipients in matching qualified minority owned enterprises with contract opportunities. For further information contact:

U.S. Department of Commerce
Minority Business Development Agency
1401 Constitution Avenue, N.W.
Washington, D.C. 20230

Website: www.mbda.gov/

6. **Subaward and/or Contract to a Federal Agency.**

The Recipient, subrecipient, contractor and/or subcontractor shall not subgrant or subcontract any part of the approved Project to any agency or employee of DOC or other federal department, agency, or instrumentality without the prior written approval of the Grants Officer.

Requests for approval of such action must be submitted to the Project Officer who shall review and make a recommendation to the Grants Officer. The Grants Officer shall make the final determination and will notify the Recipient in writing of the final determination.

7. **EDA Contracting Provisions for Construction Projects.** The Recipient shall use the "*EDA Contracting Provisions for Construction Projects*" as guidance in developing all construction contracts. The "*EDA Contracting Provisions for Construction Projects*" lists applicable EDA and other federal requirements for construction contracts.

M. **Property.**

1. **Standards.** With respect to any property acquired or improved in whole or in part with EDA investment assistance under this Award, the Recipient shall comply with the property management standards found in EDA's regulations at 13 C.F.R. part 314. Property acquired or improved in whole or in part by the Recipient under this Award may consist of real personal property, including intangible property such as money, notes, and security interests. Any inventory listings stipulated under the applicable uniform administrative requirements must be submitted to the Grants Officer on Form CD-281, "*Report of Government Property in Possession of Contractor.*"

2. **Retention of Title.**

a. The Government shall determine who retains title to all nonexpendable personal property in accordance with 15 C.F.R. parts 14 or 24, as applicable. Use, management, and the disposition of such property will be in accordance with the requirements set out at 15 C.F.R. parts 14 or 24, as applicable, and EDA's regulations at 13 C.F.R. part 314.

b. Title to real property (whether acquired partly or wholly with federal funds) will vest with the Recipient subject to the condition that the Recipient uses the real property for the authorized purpose of the Project.

3. **EDA's Interest in Award Property.**

a. *Evidence of Title.* Prior to the advertisement of bids or at such other time as EDA requires, the Recipient must furnish evidence, satisfactory in form or substance to the Government, that title to real property required for the Project (other than property of the United States

and as provided in 13 C.F.R. § 314.7(c)) is vested in the Recipient and that such easements, rights-of-way, State or local government permits, long-term leases, or other items required for the Project have been or will be obtained by the Recipient within an acceptable time, as determined by the Government. All liens, mortgages, other encumbrances, reservations, reversionary interests, or other restrictions on title or the Recipient's interest in the property must be disclosed to EDA. With limited exceptions set forth in 13 C.F.R. § 314.6(b) or as otherwise authorized by EDA, Recipient-owned property acquired or improved in whole or in part with EDA investment assistance must not be used to secure a mortgage or deed of trust or in any way otherwise encumbered. *See* 13 C.F.R. § 314.6.

b. *Recording EDA's Interest in Property.*

(i) For all Projects involving the acquisition, construction, or improvement of a building, as determined by EDA, the Recipient shall execute and furnish to the Government, prior to initial Award disbursement, a lien, covenant, or other statement, satisfactory to EDA in form and substance, of EDA's interest in the property acquired or improved in whole or in part with the funds made available under this Award. EDA may require such statement after initial Award disbursement in the event that grant funds are being used to acquire such property. The statement must specify the estimated useful life of the Project and shall include but not be limited to the disposition, encumbrance, and the Federal Share compensation requirements. *See* 13 C.F.R. §§ 314.1 and 314.8(a).

(ii) This lien, covenant, or other statement of the Government's interest must be perfected and placed of record in the real property records of the jurisdiction in which the property is located, all in accordance with applicable law. EDA shall require an opinion of counsel for the Recipient to substantiate that the document has been properly recorded. *See* 13 C.F.R. § 314.8(b).

(iii) Facilities in which the EDA investment is only a small part of a larger project, as determined by EDA, may be exempted from the requirements listed in paragraphs M.3.b.(i) and (ii) above. *See* 13 C.F.R. § 314.8(c).

c. The Recipient acknowledges that the Government retains an undivided equitable reversionary interest in the property acquired or improved in whole or in part with grant funds made available through this Award throughout the estimated useful life (as determined by EDA) of the Project, except in applicable instances set forth in 13 C.F.R. § 314.7(c). *See also* 13 C.F.R. § 314.2(a).

d. The Recipient agrees that in the event that any interest in property acquired or improved in whole or in part with EDA investment assistance is disposed of, encumbered or alienated in any manner, or no longer used for the authorized purpose(s) of the Award during the Project's estimated useful life without EDA's written approval, the Government will be entitled to recover the Federal Share, as defined at 13 C.F.R. § 314.5. If, during the Project's estimated useful life, the property is no longer needed for the purpose(s) of the Award, as determined by EDA, EDA may permit its use for other acceptable purposes consistent with those authorized by PWEDA and 13 C.F.R. chapter III. *See* 13 C.F.R. § 314.3(b).

e. For purposes of any lien or security interest, the amount of the Federal Share shall be the portion of the current fair market value of any property (after deducting any actual and reasonable selling and repair expenses incurred to put the property into marketable condition) attributable to EDA's participation in the Project. *See* 13 C.F.R. § 314.5.

f. The alienation of Award property includes sale or other conveyance of the Recipient's interest, leasing or mortgaging the property, or granting an option for any of the foregoing.

4. **Insurance and Bonding.**

a. *Recipients that are Institutions of Higher Education, Hospitals, Other Non-Profit and Commercial Organizations.* The Recipient shall, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired with federal funds as provided to property owned by the Recipient. Federally-owned property need not be insured unless required by the terms and conditions of the award. *See* 15 C.F.R. § 14.31.

b. *Recipients that are State and Local Governments.* If the Award exceeds the simplified acquisition threshold, EDA may accept the Recipient's or subrecipient's bonding policy and requirements if EDA determines that the Federal Interest is adequately protected. If not, the following minimum requirements shall apply:

(i) *A bid guarantee from each bidder equivalent to five percent of the bid price.* The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the proffered bid, execute such contractual documents as may be required within the time specified;
(ii) *A performance bond on the part of the contractor for 100 percent of the contract price.* A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract; and
(iii) *A payment bond on the part of the contractor for 100 percent of the contract price.* A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract. *See* 15 C.F.R. § 24.36(h)

5. **Leasing Restrictions.** Leasing or renting of facilities or property is prohibited unless specifically authorized by EDA. The Recipient agrees that any leasing or renting of any facilities or property involved in this Project will be subject to the following:

a. That said lease arrangement is consistent with the authorized general and special purpose of the Award;

b. That said lease arrangement is for adequate consideration; and

c. That said lease arrangement is consistent with applicable EDA requirements concerning but not limited to nondiscrimination and environmental compliance.

6. **Use of Eminent Domain Prohibited.** The Recipient will use funds solely for the authorized use of the Project. Pursuant to Executive Order 13406, "*Protecting the Property Rights of the American People,*" the Recipient agrees:

a. Not to use any power of eminent domain available to the Recipient (including the commencement of eminent domain proceedings) for use in connection with the Project for the purpose of advancing the economic interests of private parties; and

b. Not to accept title to land, easements, or other interests in land acquired by the use of any power of eminent domain for use in connection with the Project for such purposes.

The Recipient agrees that any use of the power of eminent domain to acquire land, easements, or interests in land, whether by the Recipient or any other entity that has the power of eminent domain, in connection with the Project without prior written consent of EDA is an unauthorized use of the Project. If the Recipient puts the Project to an unauthorized use, the Recipient shall compensate EDA for its fair share in accordance with 13 C.F.R. §§ 314.4 and 314.5, as same may be amended from time to time.

7. **Disposal of Real Property.**

a. If EDA and the Recipient determine that property acquired or improved in whole or in part with EDA investment assistance is no longer needed for the original purpose(s) of this Award, the Recipient must obtain approval from the Government to use the property in other federal grant programs or in programs that have purposes consistent with those authorized by PWEDA and 13 C.F.R. chapter III. *See* 13 C.F.R. § 314.3(b).

b. When property is not disposed of as provided in section M.7.a. above, the Government shall determine final disposition and must be compensated by the Recipient for the Federal Share of the value of the property, plus costs and interest, as provided in 13 C.F.R. § 314.4.

N. **Environmental Requirements.**

Environmental impacts must be considered by federal decision-makers in their decisions whether or not to: (i) approve a proposal for federal assistance; (ii) approve the proposal with mitigation; or (iii) approve a different proposal/grant having less adverse environmental impacts. Federal environmental laws require that the funding agency initiate a planning process with early consideration of potential environmental impacts that Project(s) funded with federal assistance may have on the environment. The Recipient and any subrecipients shall comply with all environmental standards, to include those prescribed under the following statutes and Executive Orders, and shall identify to the awarding agency any impact the Award may have on the environment. In some cases, the Grants Officer can withhold Award funds under a special award condition requiring the Recipient to submit additional environmental compliance information sufficient to enable the Department to make an assessment on any impacts that a Project may have on the environment.

1. **The National Environmental Policy Act of 1969 (42 U.S.C. § 4321 *et seq.*)**
The National Environmental Policy Act ("NEPA") and the Council on Environmental Quality ("CEQ") implementing regulations (40 C.F.R. parts 1500 – 1508) require that an environmental analysis be completed for all major federal actions significantly affecting the environment. NEPA applies to the actions of federal agencies and may include a federal agency's decision to fund non-federal projects under grants and cooperative agreements. Recipients of federal assistance are required to identify to the awarding agency any impact an award will have on the quality of the human environment and assist the agency to comply with NEPA. Recipients may also be requested to assist EDA in drafting an environmental

assessment if EDA determines an assessment is required. If additional information is required during the period of the Award, funds can be withheld by the Grants Officer under a special award condition requiring the Recipient to submit additional environmental compliance information sufficient to enable EDA to make an assessment on any impacts that the Project may have on the environment.

2. **Environmental Quality Improvement Act of 1970, as amended (42 U.S.C. §§ 4371 – 4375)**
Federally-supported public works facilities and activities that affect the environment shall be implemented in compliance with policies established under existing law.

3. **Executive Order 12088, "*Federal Compliance with Pollution Control Standards*," (43 Fed. Reg. 47707, October 13, 1978), as amended**
All necessary actions shall be taken for the prevention, control, and abatement of environmental pollution with respect to federally-supported facilities and activities

4. **Executive Order 11514, "*Protection and Enhancement of Environmental Quality*," (35 Fed. Reg. 4247, March 5, 1970), as amended**
Federally-supported facilities and activities shall be maintained and directed to meet national environmental goals.

5. **Executive Order 11593, "*Protection and Enhancement of the Cultural Environment*," (36 Fed. Reg. 8921, May 13, 1971), as amended**
Federally-owned sites, structures, and objects of historical, architectural, or archaeological significance shall be preserved, restored, and maintained.

6. **Clean Air Act, Clean Water Act, and Executive Order 11738**
Recipients must comply with the provisions of the Clean Air Act (42 U.S.C. § 7401 *et seq.*), the Clean Water Act (42 U.S.C. § 1251 *et seq.*), and Executive Order 11738, and shall not use a facility on the Environmental Protection Agency's ("EPA") *List of Violating Facilities* in performing any Award that is nonexempt under 2 C.F.R. § 1532, and shall notify the EDA Project Officer in writing if it intends to use a facility that is on EPA's *List of Violating Facilities* or knows that the facility has been recommended to be placed on the List.

7. **The Safe Drinking Water Act of 1974, as amended (42 U.S.C. § 300f *et seq.*)**
This Act precludes federal assistance for any project that the EPA determines may contaminate a sole source aquifer so as to threaten public health.

8. **Executive Order 11988, "*Floodplain Management*," (42 Fed. Reg. 26951, May 24, 1977) and Executive Order 11990, "*Protection of Wetlands*," (42 Fed. Reg. 26961, May 24, 1977)**
Recipients must identify proposed actions in federally-defined floodplains and wetlands to enable the agency to make a determination whether there is an alternative to minimize any potential harm.

9. **The Flood Disaster Protection Act of 1973, as amended (42 U.S.C. § 4002 *et seq.*), and regulations and guidelines issued thereunder by the U.S. Federal Emergency Management Administration ("FEMA") or by EDA**
Flood insurance, when available, is required for federally-assisted construction or acquisition in flood-prone areas.

10. **The Coastal Zone Management Act of 1972, as amended (16 U.S.C. § 1451 *et seq.*)**
Funded projects must be consistent with a coastal State's approved management plan for the coastal zone.

11. **The Coastal Barrier Resources Act, as amended, (16 U.S.C. § 3501 *et seq.*)**
Restrictions are placed on federal funding for actions within a Coastal Barrier System.

12. **The Wild and Scenic Rivers Act, as amended, (16 U.S.C. § 1271 *et seq.*)**
This Act applies to awards that may affect existing or proposed components of the National Wild and Scenic Rivers system.

13. **The Fish and Wildlife Coordination Act, as amended, (16 U.S.C. § 661 *et seq.*)**
Requiring the evaluation the impacts to fish and wildlife from federally-assisted proposed water resource development projects.

14. **The Endangered Species Act of 1973, as amended, (16 U.S.C. § 1531 *et seq.*)**
The Recipient must identify any impact or activities that may involve a threatened or endangered species. Federal agencies have the responsibility to ensure that federal awards do not adversely affect protected species or habitats and must conduct the required reviews under the Endangered Species Act.

15. **The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA") (42 U.S.C. § 9601 *et seq.*), as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. § 9662 *et seq.*)**
These requirements address responsibilities of hazardous substance releases, threatened releases, and environmental cleanup. There is also a requirement to impose reporting and community involvement requirements to ensure disclosure of the release or disposal of regulated substances and cleanup of hazards.

16. **The Resource Conservation and Recovery Act of 1976, as amended, (42 U.S.C. § 6901 *et seq.*)**
This Act regulates the generation, transportation, treatment, and disposal of hazardous wastes, and also provides that Recipients of federal funds give preference in their procurement programs to the purchase of recycled products pursuant to EPA guidelines.

17. **Executive Order 12898, "*Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations*" (59 Fed. Reg. 7629, February 11, 1994)**
This Order identifies and addresses adverse human health or environmental effects of programs, policies, and activities on low-income and minority populations.

18. **The Lead-Based Paint Poisoning Prevention Act, as amended, (42 U.S.C. § 4821 *et seq.*)**
Use of lead-based paint in residential structures constructed or rehabilitated by the Federal Government or with federal assistance is prohibited.

19. **The Farmland Protection Policy Act, as amended, (7 U.S.C. §§ 4201 – 4209)**
Projects are subject to review under this Act if they may irreversibly directly or indirectly convert farmland, including forest land, pastureland, cropland, or other land, to nonagricultural use.

20. **The Noise Control Act of 1972, as amended, (42 U.S.C. § 4901 *et seq.*)**
Federally-supported facilities and activities shall comply with federal, State, interstate, and local requirements respecting control and abatement of environmental noise to the same extent that any person is subject to such requirements.

21. **The Native American Graves Protection and Repatriation Act, as amended, (25 U.S.C. § 3001 *et seq.*)**
This Act provides a process for returning certain Native American cultural items to lineal descendants, culturally affiliated Indian Tribes, and Native Hawaiian organizations.

O. **Compliance with Environmental Requirements.** The Recipient agrees to notify the Grants Officer of any environmental requirement or restriction, regulatory or otherwise, with which it must comply. Before Project Closeout and final disbursement of Award funds, the Recipient further agrees to provide evidence satisfactory to the Grants Officer that any required environmental remediation has been completed: (1) in compliance with all applicable federal, State and local regulations; and (2) as set forth in the applicable Lease, Finding of Suitability to Lease ("FOSL"), Lease in Furtherance of Conveyance, Quitclaim Deed, or other conveyance instrument and any amendments, supplements, or succeeding documents. Compliance with said laws or restrictions shall be included in any contract documents for Project construction. The Recipient must certify compliance before final disbursement of grant funds.

P. **Miscellaneous Requirements.**

1. **Criminal and Prohibited Activities.**

a. The Program Fraud Civil Remedies Act (31 U.S.C. §§ 3801-3812) provides for the imposition of civil penalties against persons who make false, fictitious, or fraudulent claims to the Federal Government for money (including grants, loans, or other benefits).

b. The Criminal False Claims Act and the False Statements Act (18 U.S.C. §§ 287 and 1001) provide for criminal prosecution of a person who knowingly makes or presents any false, fictitious, or fraudulent statements or representations or claims against the United States. Such person shall be subject to imprisonment of not more than five years and shall be subject to a fine.

c. The Civil False Claims Act (31 U.S.C. § 3729) provides that suits under this Act can be brought by the Federal Government, or a person on behalf of the Federal Government, for false claims under federal assistance programs.

d. The Copeland "Anti-Kickback" Act (18 U.S.C. § 874 and 40 U.S.C. § 276c), prohibits a person or organization engaged in a federally-supported Project from enticing an employee working on the Project from giving up a part of his compensation under an employment contract.

2. **Foreign Travel.**

a. The Recipient shall comply with the provisions of the Fly America Act (49 U.S.C. § 40118). The implementing regulations of the Fly America Act are found at 41 C.F.R. §§ 301-10.131 – 301-10.143.

b. The Fly America Act requires that federal travelers and others performing federal government-financed foreign air travel must use United States flag air carriers, to the extent that service by such carriers is available. Foreign air carriers may be used only in specific instances, such as when a United States flag air carrier is unavailable, or use of United States flag air carrier service will not accomplish the agency's mission.

c. Use of foreign air carriers may also be used only if bilateral agreements permit such travel pursuant to 49 U.S.C. § 40118(b). The Department is not aware of any bilateral agreements that meet these requirements. Therefore, it is the responsibility of the Recipient to provide the Grants Officer with a copy of the applicable bilateral agreement if use of a foreign carrier under a bilateral agreement is anticipated.

d. If a foreign air carrier is anticipated to be used, the Recipient must receive prior approval from the Grants Officer. When requesting such approval in accordance with the guidance provided by 41 C.F.R. § 301-10.142, the Recipient must provide a "certification" the Grants Officer with the following: (i) his or her name; (ii) dates of travel; (iii) the origin and destination of travel; (iv) a detailed itinerary of travel; (v) the name of the air carrier and flight number for each leg of the trip; (vi) and a statement explaining why the Recipient meets one of the exceptions to the applicable regulations. If the use of a foreign air carrier is pursuant to a bilateral agreement, the Recipient must provide the Grants Officer with a copy of the agreement. The Grants Officer shall make the final determination and notify the Recipient in writing. Failure to adhere to the provisions of the Fly America Act will result in the Recipient not being reimbursed for any transportation costs for which the Recipient improperly used a foreign air carrier.

3. **American-Made Equipment and Products**. Recipients are hereby notified that they are encouraged, to the greatest extent practicable, to purchase American-made equipment and products with funding provided under this Award.

4. **Intellectual Property Rights.**

a. **Inventions**. The intellectual property rights to any invention made by a Recipient under a DOC Award are determined by the Bayh-Dole Act, as amended (Pub. L. No. 96-517), and codified in 35 U.S.C. § 200 *et seq.*, except as otherwise required by law. The specific rights and responsibilities are described in more detail in 37 C.F.R. part 401, and in the particular, in the standard patent rights clause in 37 C.F.R. § 401.14, which is hereby incorporated by reference into this Award.

(i) *Ownership.*

(a) Recipient. The Recipient has the right to own any invention it makes (conceived or first reduced to practice) or that is made by its employees. The Recipient may not assign its rights to a third party without the permission of the Department unless it is to a patent management organization (i.e., a university's research foundation.) The Recipient's ownership rights are subject to the Federal Government's nonexclusive paid-up license and other rights.

(b) Department. If the Recipient elects not to own or does not elect rights or file a patent application within the time limits set forth in the standard patent rights clause, the Department may request an assignment of all rights, which is

normally subject to a limited royalty free non-exclusive license for the Recipient. The Department owns any invention made solely by its employees, but may license the Recipient in accordance with the procedures in 37 C.F.R. part 404.

(c) Inventor/Employee. If neither the Recipient nor the Department is interested in owning an invention by a Recipient employee, the Recipient, with the written concurrence of the Department's Patent Counsel, may allow the inventor/employee to own the invention subject to certain restrictions as described in 37 C.F.R. § 401.9.

(d) Joint Inventions. Inventions made jointly by a Recipient and a Department employee will be owned jointly by the Recipient and DOC. However, the Department may transfer its rights to the Recipient as authorized by 35 U.S.C. § 202(e) and 37 C.F.R. § 401.10 if the Recipient is willing to patent and license the invention in exchange for a share of "net" royalties based on the number of inventors (e.g., 50-50 if there is one Recipient and Department employee). The agreement will be prepared by the Department's Patent Counsel and may include other provisions, such as a royalty free license to the Federal Government and certain other entities. The Recipient also is authorized to transfer its rights to the Federal Government, which can agree to share royalties similarly as described above (35 U.S.C. § 202(e)).

(ii) *Responsibilities –iEdison.* The Recipient has responsibilities and duties set forth in the standard patent rights clause, which are not described below. The Recipient is expected to comply with all the requirements of the standard patent rights clause and 37 C.F.R. part 401. Recipients of DOC Awards are required to submit their disclosures and elections electronically using the Interagency Edison extramural invention reporting system (iEdison) at www.iedison.gov. The Recipient may obtain a waiver of this electronic submission requirement by providing DOC compelling reasons for allowing the submission of paper copies of reports related to inventions.

b. **Patent Notification Procedures.** Pursuant to Executive Order 12889, the Department is required to notify the owner of any valid patent covering technology whenever the Department or its Recipients, without making a patent search, knows (or has demonstrable reasonable grounds to know) that technology covered by a valid United States patent has been or will be used without a license from the owner. To ensure proper notification, if the Recipient uses or has used patented technology under this Award without a license or permission from the owner, the Recipient must notify the Grants Officer:

However, this notice does not necessarily mean that the Government authorizes and consents to any copyright or patent infringement occurring under the financial assistance.

c. **Data, Databases, and Software.** The rights to any work produced or purchased under a DOC Award are determined by 15 C.F.R. §§ 14.36 or 24.34, as applicable. Such works may include data, databases, or software. The Recipient owns any work produced or purchased under a DOC Award subject to the Department's right to obtain, reproduce, publish, or otherwise use the work or authorize others to receive, reproduce, publish, or otherwise use the data for Federal Government purposes.

d. **Copyright**. The Recipient may copyright any work produced under a DOC Award subject to the Department's royalty-free, non-exclusive, and irrevocable right to reproduce, publish or otherwise use the work or authorize others to do so for Federal Government purposes. Works jointly authored by the Department and Recipient employees may be copyrighted, but only the part authored by the Recipient is protected under 17 U.S.C. § 105, which provides that works produced by Federal Government employees are not copyrightable in the United States. If the contributions of the authors cannot be separated, the copyright status of the joint work is questionable. On occasion, the Department may ask the Recipient to transfer to the Department its copyright in a particular work when the Department is undertaking the primary dissemination of the work. Ownership of copyright by the Federal Government through assignment is permitted under 17 U.S.C. § 105.

5. **Increasing Seat Belt Use in the United States.** Pursuant to Executive Order 13043, Recipients should encourage employees and contractors to enforce on-the-job seat belt policies and programs when operating company-owned, rented, or personally-owned vehicles.

6. **Research Involving Human Subjects.**

a. All proposed research involving human subjects must be conducted in accordance with 15 C.F.R. part 27, "*Protection of Human Subjects*." No research involving human subjects is permitted under this Award unless expressly authorized by special award condition or otherwise authorized in writing by the Grants Officer.

b. Federal policy defines a human subject as a living individual about whom an investigator conducting research obtains (i) data through intervention or interaction with the individual, or (ii) identifiable private information. Research means a systematic investigation, including research development, testing and evaluation, designed to develop or contribute to generalizable knowledge.

c. The Department's regulations at 15 C.F.R. part 27 require that Recipients maintain appropriate policies and procedures for the protection of human subjects. In the event it becomes evident that human subjects may be involved in carrying out the purpose(s) of this Award, the Recipient shall submit appropriate documentation to the Project Officer for approval. This documentation may include:

(i) Documentation establishing approval of the Project by an institutional review board ("IRB") approved for government-wide use under Department of Health and Human Services guidelines (*see* 15 C.F.R. § 27.103);

(ii) Documentation to support an exemption for the Project under 15 C.F.R. § 27.101(b);

(iii) Documentation to support deferral for an exemption or IRB review under 15 C.F.R. § 27.118; or

(iv) Documentation of IRB approval of any modification to a prior approved protocol or to an informed consent form.

d. No work involving human subjects may be undertaken, conducted, or costs incurred or charged for human subjects research until the appropriate documentation is approved in

writing by the Grants Officer. Notwithstanding this prohibition, work may be initiated or costs incurred or charged to the Project for protocol or instrument development related to human subjects research.

7. **Federal Employee Expenses.** Federal agencies are generally barred from accepting funds from a Recipient to pay transportation, travel, or other expenses for any federal employee unless specifically approved in the terms of the Award. Use of Award funds (federal or non-federal) or the Recipient's provision of in-kind goods or services for the purposes of transportation, travel, or any other expenses for any federal employee may raise appropriation augmentation issues. In addition, DOC policy prohibits the acceptance of gifts, including travel payments for federal employees, from Recipients or applicants regardless of the source.

8. **Preservation of Open Competition and Government Neutrality Towards Government Contractors' Labor Relations on Federal and Federally-Funded Construction Projects.** Pursuant to Executive Order 13202, "*Preservation of Open Competition and Government Neutrality Towards Government Contractors' Labor Relations on Federal and Federally-Funded Construction Projects*," as amended by Executive Order 13208, unless the Project is exempted under section 5(c) of the Order, bid specifications, Project-related agreements, or other controlling documents for construction contracts awarded by Recipients or any construction manager acting on their behalf, shall not:

   a. Include any requirement or prohibition on bidders, offerors, contractors, or subcontractors about entering into or adhering to agreements with one or more labor organizations on the same or related construction Project(s); or

   b. Otherwise discriminate against bidders, offerors, contractors, or subcontractors for becoming or refusing to become or remain signatories or otherwise to adhere to agreements with one or more labor organizations, on the same or other related construction Project(s).

9. **Minority Serving Institutions ("MSIs") Initiative.** Pursuant to Executive Orders 13256, "*President's Board of Advisors on Historically Black Colleges and Universities*," 13230 "*President's Advisory Commission on Educational Excellence for Hispanic Americans*," and 13270, "*Tribal Colleges and Universities*," the Department is strongly committed to broadening the participation of MSIs in its financial assistance programs. The Department's goals include achieving full participation of MSIs in order to advance the development of human potential, strengthen the nation's capacity to provide high-quality education, and increase opportunities for MSIs to participate in and benefit from federal financial assistance programs. The Department encourages all applicants and Recipients to include meaningful participation of MSIs. Institutions eligible to be considered MSIs are listed on the U.S. Department of Education's website.

10. **Research Misconduct.** Scientific or research misconduct refers to the fabrication, falsification or plagiarism in proposing, performing, or reviewing research, or in reporting research results. It does not include honest errors or differences of opinion. The Recipient organization has the primary responsibility to investigate allegations and provide reports to the Federal Government. Funds expended on an activity that is determined to be invalid or unreliable because of scientific misconduct may result in a disallowance of costs for which the institution may be liable for repayment to the awarding agency. The Office of Science and Technology Policy at the White House published in the *Federal Register* on December 6,

2000 a final policy that addressed research misconduct (65 Fed. Reg. 76260). The policy was developed by the National Science and Technology Council. The Department requires that any allegation be submitted to the Grants Officer, who also will notify the OIG of such allegation. Generally, the Recipient organization shall investigate the allegation and submit its findings to the Grants Officer. The Department may accept the Recipient's findings or proceed with its own investigation. The Grants Officer shall inform the Recipient of the Department's final determination.

11. **Publications, Videos, and Acknowledgment of Sponsorship.** Publication of the results or findings of a research Project in appropriate professional journals and production of video or other media is encouraged as an important method of recording and reporting scientific information. It is also a constructive means to expand access to federally-funded research. The Recipient is required to submit a copy to the funding agency and when releasing information related to a funded Project include a statement that the Project or effort undertaken was or is sponsored by DOC. The Recipient also is responsible for ensuring that every publication of material (including Internet sites and videos) based on or developed under an Award, except scientific articles or papers appearing in scientific, technical or professional journals, contains the following disclaimer: "This [report/video] was prepared by [Recipient name] under [Award number] from [name of operating unit], U.S. Department of Commerce. The statements, findings, conclusions and recommendations are those of the author(s) and do not necessarily reflect the views of the [name of operating unit] or the U.S. Department of Commerce." This disclaimer also applies to videos produced under DOC Awards.

12. **Care and Use of Live Vertebrate Animals.** Recipients must comply with the Laboratory Animal Welfare Act of 1966 (Pub. L. No. 89-544), as amended (7 U.S.C. § 2131 *et seq.*) (animal acquisition, transport, care, handling, and use in projects), and the implementing regulations at 9 C.F.R. parts 1, 2, and 3; the Endangered Species Act (16 U.S.C. § 1531 *et seq.*); the Marine Mammal Protection Act (16 U.S.C. § 1361 *et seq.*) (taking possession, transport, purchase, sale, export or import of wildlife and plants); the Non-indigenous Aquatic Nuisance Prevention and Control Act (16 U.S.C. § 4701 *et seq.*) (ensure preventive measures are taken or that probable harm of using species is minimal if there is an escape or release); and all other applicable statutes pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by federal financial assistance. No research involving vertebrate animals is permitted under any DOC Award unless authorized by the Grants Officer.

13. **Homeland Security Directive.** If the performance of this Award requires the Recipient to have physical access to federal premises for more than 180 days or access to a federal information system, personal identity verification procedures must be implemented. Any items or services delivered under this Award shall comply with the Department's personal identity verification procedures that implement Homeland Security Presidential Directive – 12, FIPS PUB 201, and OMB Memorandum M-05-24. The Recipient shall insert this clause in all subawards or contracts when the subaward recipient or contractor is required to have physical access to a federally-controlled facility or access to a federal information system.

14. **Compliance with Department of Commerce Bureau of Industry and Security Export Administration Regulations.**

a. This clause applies to the extent that this Award involves access to export-controlled information or technology.

b. In performing this Award, the Recipient may gain access to export-controlled information or technology. The Recipient is responsible for compliance with all applicable laws and regulations regarding export-controlled information and technology, including deemed exports. The Recipient shall establish and maintain throughout performance of this Award effective export compliance procedures at non-DOC facilities. At a minimum, these export compliance procedures must include adequate controls of physical, verbal, visual, and electronic access to export-controlled information and technology.

c. *Definitions.*

(i) *Deemed Export.* The Export Administration Regulations ("EAR") define a deemed export as any release of technology or source code subject to the EAR to a foreign national, both in the United States and abroad. Such release is "deemed" to be an export to the home country of the foreign national. *See* 15 C.F.R. § 734.2(b)(2)(ii).

(ii) *Export-controlled information and technology.* Export-controlled information and technology subject to the EAR (15 C.F.R. §§ 730-774), implemented by the Department's Bureau of Industry and Security, or the "*International Traffic In Arms Regulations*" ("ITAR") (22 C.F.R. §§ 120-130), implemented by the Department of State, respectively. This includes but is not limited to dual-use items, defense articles and any related assistance, services, software, or technical data as defined in the EAR and ITAR.

d. The Recipient shall control access to all export-controlled information and technology that it possesses or that comes into its possession in performance of this Award, to ensure that access is restricted, or licensed, as required by applicable federal laws, Executive Orders, or regulations.

e. Nothing in the Terms and Conditions of this Award is intended to change, supersede or waive the requirements of applicable federal laws, Executive Orders, or regulations.

f. The Recipient shall include this subsection entitled "*Compliance with Department of Commerce Bureau of Industry and Security Export Administration Regulations*," including this subparagraph (f), in all lower-tier transactions (sub-awards, contracts, and subcontracts) under this Award that may involve access to export-controlled information technology.

APPENDIX

THE FOLLOWING REFERENCE MATERIALS AND FORMS ARE AVAILABLE ONLINE:

1. 2 C.F.R. part 220 (codifying OMB Circular A-21, "*Cost Principles for Educational Institutions*")
2. 2 C.F.R. part 225 (codifying OMB Circular A-87, "*Cost Principles for State, Local and Indian Tribal Governments*")
3. 2 C.F.R. part 230 (codifying OMB Circular A-122, "*Cost Principles for Nonprofit Organizations*")
4. 2 C.F.R. part 1326, "*Non-Procurement Debarment and Suspension*"
5. 13 C.F.R. chapter III (EDA's regulations)
6. 15 C.F.R. part 14, "*Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, Other Non-Profit and Commercial Organizations*" (codifying OMB Circular A-110)
7. 15 C.F.R. part 24, "*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*"
8. 15 C.F.R. part 4, "*Disclosure of Government Information*"
9. 15 C.F.R. part 27, "*Protection of Human Subjects*"
10. 15 C.F.R. part 28, "*New Restrictions on Lobbying*"
11. 15 C.F.R. part 29, "*Government-wide Requirements for Drug-Free Workplace (Financial Assistance)*"
12. 48 C.F.R. part 31, "*Contract Cost Principles and Procedures*"
13. OMB Circular A-102, "*Grants and Cooperative Agreements with State and Local Governments*"
14. OMB Circular A-133, "*Audits of States, Local Governments and Nonprofit Organizations,*" and the related *Compliance Supplement*

To access EDA's regulations, visit EDA's Internet website at www.eda.gov/InvestmentsGrants/Lawsreg.xml.

To access the Code of Federal Regulations (C.F.R.), visit the Government Printing Office's Internet website at http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=%2Findex.tpl.

To access the OMB Circulars, visit OMB's Internet website at www.whitehouse.gov/omb/circulars/index.html.

To access the Davis Bacon wage rate determinations, visit the Department of Labor's Internet website at www.wdol.gov/.

EDA FORMS:

1. Form CD-281, "*Report of Government Property in Possession of Contractor*"
2. Form CD-451, "*Amendment to Financial Assistance Award*"
3. Form CD-346, "*Identification - Applicant for Funding Assistance*"
4. Form SF-269, "*Financial Status Report*"
5. Form SF-270, "*Request for Advance or Reimbursement*" (with Instructions)
6. Form SF-271, "*Outlay Report and Request for Reimbursement for Construction Programs*"
7. Form SF-272, "*Federal Cash Transaction Report*"
8. Form SF-LLL, "*Disclosure of Lobbying Activities*"

To access Department of Commerce forms ("CD"), visit the Department's Internet website at http://ocio.os.doc.gov/ITPolicyandPrograms/Electronic_Forms/index.htm.

To access the Standard Forms ("SF"), visit the General Services Administration's Internet website at www.gsa.gov/Portal/gsa/ep/formslibrary.do?formType=SF.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

11/8/2010

Entered: October 19, 2010

CASE NO. 10-0958-S-CN

CITY OF PRINCETON SANITARY BOARD.
Application for a certificate of public convenience and necessity to improve First Street Pump Station and upgrade and expand wastewater treatment plant.

RECOMMENDED DECISION

On June 29, 2010, the City of Princeton Sanitary Board (Princeton) filed an application with the Public Service Commission under *West Virginia Code* §24-2-11 for a certificate of public convenience and necessity to improve its First Street Pump Station and upgrade and expand its wastewater treatment plant. The District estimated that the project would cost approximately $9,100,000, to be financed with a loan from the West Virginia Division of Environmental Protection Clean Water State Revolving Fund (DEP SRF) program in the amount of $6,600,000, and with a $2,500,000 grant from the United States Economic Development Administration (EDA). Princeton represented that the project will not increase rates.

By the Commission Order entered on June 29, 2010, the Commission directed that Princeton publish the Notice of Filing attached to the Order, once, in newspapers duly qualified under *West Virginia Code* §59-3-1 *et seq.*, published and generally circulated in the counties where Princeton provides service, providing a 30-day protest period and providing that, if no substantial protest was filed, the Commission may waive a formal hearing and grant the application based upon its review of the evidence submitted with the application. On July 20, 2010, Princeton submitted publication affidavits showing that the Notice of Filing was published on July 9, 2010, in the *Princeton Times* and the *Bluefield Daily Telegraph*.

No protest was filed.

By Referral Order entered on July 13, 2010, the Commission referred this matter to the Division of Administrative Law Judges for decision on or before November 12, 2010, if substantial protest was not filed, and by December 13, 2010 if substantial protest was filed.

On July 28, 2010, Staff Attorney John Auville filed the Initial Joint Staff Memorandum, attaching the July 23, 2010 Utilities and Engineering Divisions Initial Memorandum from Utilities

Analyst Pamela Latocha, Utilities Division, and Engineering Technician John Mottesheard, Engineering Division. Staff summarized the project and noted that the DEP SRF loan would have a 0% interest rate and a 0.5% administration fee for a 30-year term.

On August 4, 2010, Princeton submitted a recent estimate of project costs, including a detailed list of construction costs. The total project is still estimated to cost approximately $9,100,000, with $7,468,181 of that for construction.

On September 17, 2010, Staff Attorney Auville submitted the Final Joint Staff Memorandum, attaching the September 16, 2010 Utilities and Engineering Divisions Final Recommendation from Ms. Latocha and Mr. Mottesheard. Together, these Memoranda comprise Commission Staff's final substantive recommendation in this matter. The project is comprised of improvements to the First Street Pump Station, which include replacing three existing pumps, providing automatic screening with screening compactors, providing an automated grit removal system and upgrading electric components, and an upgrade to the treatment plant to increase the daily treatment capacity from 3,600,000 gallons per day to 4,900,000 gallons per day by replacing four pumps, providing a new autothermal aerobic digestion system, adding a 60-foot diameter secondary clarifier, adding two new 100 horsepower blowers, replacing the chlorination/dechlorination system with an ultraviolet system, providing a new combined sewage overflow clarifier with automatic diversion controls, constructing a new building to house a garage, meeting room and storage facility and adding related electrical work. The West Virginia Infrastructure and Jobs Development Council (IJDC) approved the project under Project No. 2008S-1013.

Princeton serves approximately 4,300 direct customers and has two resale customers that serve another 1,800 customers. The project has not been bid, which increases the likelihood that the cost estimates may be low. In the event the project costs increase, Princeton will have to obtain additional financing and Commission approval. The project is needed because, since 2003, the treatment plant has exceeded its treatment capacity, i.e., the daily flow has exceeded 7,900,000 gallons per day an average of six times annually. The project will increase the average daily capacity as noted above and will increase the peak flow to approximately 12,000,000 gallons per day. Changing from a chlorination to an ultraviolet treatment system is safer and more efficient. Staff opined that the project plans represent the best of the alternatives considered by Princeton. The project will increase operation and maintenance (O&M) expenses by only approximately $6,000. The plans and specifications do not conflict with Commission rules and regulations and most of the permits have been obtained. Staff noted that construction could not begin until all permits were obtained.

Princeton has obtained firm commitment letters for the proposed financing for the project. The project will increase debt service requirements by approximately $236,958 for principal and administrative fee, plus a $22,000 debt reserve and a depreciation and replacement reserve equaling 2.5% of operating revenues. After making some going-level adjustments, Staff opined that the total O&M expenses would increase by approximately $22,958. Existing rates will provide a debt service coverage ratio of approximately 219% and provide approximately $237,762 for capital additions,

$60,000 of which would be from the renewal and replacement fund. Staff recommended that the Commission grant the certificate application, as follows:

1. Approve project funding comprised of a $2,500,000 EDA grant and a $6,600,000 DEP SRF loan with 0% interest and a 0.5% administrative fee for a 30-year term;

2. Any changes to the rates, plans or scope of the project require separate Commission approval. Any changes in the funding that do not affect rates do not require separate Commission approval, provided that Princeton provides an affidavit from a certified public accountant to that effect;

3. Princeton must provide a copy of the engineer's certified bid tabulations for all contracts awarded as soon as they become available;

4. Princeton must submit the certificate of substantial completion as soon as available; and

5. Princeton must provide all required permits to the Commission prior to commencing construction.

DISCUSSION

Having considered all of the above, since no dispute remains to be resolved in this proceeding, as evidenced by the lack of substantial protest and the lack of response to Staff's final substantive recommendations, the ALJ will consider the parties to have waived their rights under *West Virginia Code* §24-1-9(b) to file proposed findings of fact and conclusions of law, or briefs, in this proceeding, or to a hearing. The ALJ will decide the case based upon his review of the documents contained in the Commission's file of the case.

The ALJ holds that, since Princeton gave proper notice to the public of the application; since the existing wastewater treatment plant and the First Street Pump Station are not sufficient to meet the demand; since the project will correct the deficiencies and is needed to increase plant capacity, control chemical costs and improve the wastewater quality to ensure future regulatory compliance; since Princeton has chosen the best alternative to solve its treatment system problems; since its customers will benefit from the project by increasing the plant's reliability and improving the quality of treated wastewater; since the project will not increase rates; and since Staff has recommended that the Commission approve the application and its funding, the public convenience and necessity require the project and the certificate application will be granted, including approval of the proposed financing.

FINDINGS OF FACT

1. The City of Princeton Sanitary Board filed an application with the Commission under *West Virginia Code* §24-2-11 for a certificate of public convenience and necessity to improve the First Street Pump Station and upgrade and expand its wastewater treatment plant. The District estimated that the project would cost approximately $9,100,000, to be financed with a $6,600,000 DEP SRF loan and a $2,500,000 EDA grant. Princeton estimated that the project will not increase rates. (See, June 29, 2010 application).

2. Princeton caused the Notice of Filing to be published July 9, 2010, in the *Princeton Times* and the *Bluefield Daily Telegraph*. (See, publication affidavits filed on July 20, 2010).

3. No public protest was filed. (See, Commission's file).

4. The project is comprised of improvements to the First Street Pump Station, which include replacing three existing pumps, providing automatic screening with screening compactors, providing an automated grit removal system and upgrading electric components, and an upgrade to the treatment plant to increase the daily treatment capacity from 3,600,000 gallons per day to 4,900,000 gallons per day by replacing four pumps, providing a new autothermal aerobic digestion system, adding a 60-foot diameter secondary clarifier, adding two new 100 horsepower blowers, replacing the chlorination/dechlorination system with an ultraviolet system, providing a new combined sewage overflow clarifier with automatic diversion controls, constructing a new building to house a garage, meeting room and storage facility and adding related electrical work. (See, Final Joint Staff Memorandum, with attachments).

5. The IJDC approved the project. (See, Final Joint Staff Memorandum, with attachments).

6. Princeton serves approximately 4,300 direct customers and has two resale customers that serve another 1,800 customers. (See, Final Joint Staff Memorandum, with attachments).

7. Since 2003, the treatment plant has exceeded its treatment capacity, i.e., the daily flow has exceeded 7,900,000 gallons per day an average of six times annually. The project will increase the average daily capacity as noted above and will increase the peak flow to approximately 12,000,000 gallons per day. (See, Final Joint Staff Memorandum, with attachments).

8. Changing from a chlorination to an ultraviolet treatment system is safer and more efficient. (See, Final Joint Staff Memorandum, with attachments).

9. The project plans represent the best of the alternatives considered by Princeton. (See, Final Joint Staff Memorandum, with attachments).

10. The plans and specifications do not conflict with Commission rules and regulations and most of the permits have been obtained. Staff recommended that construction not begin until all permits were obtained. (See, Final Joint Staff Memorandum, with attachments).

11. Princeton has obtained firm commitment letters for the proposed financing for the project. (See, Final Joint Staff Memorandum, with attachments).

12. The project will increase debt service requirements by approximately $236,958 for principal and administrative fee, plus a $22,000 debt reserve and a depreciation and replacement reserve equaling 2.5% of operating revenues. After making some going-level adjustments, Staff opined that the total O&M expenses would increase by approximately $22,958. Existing rates will provide a debt service coverage ratio of approximately 219% and provide approximately $237,762 for capital additions, $60,000 of which would be from the renewal and replacement fund. (See, Final Joint Staff Memorandum, with attachments).

13. Staff recommended that the Commission grant the certificate application, as follows:

(a) Approve project funding comprised of a $2,500,000 EDA grant and a $6,600,000 DEP SRF loan with 0% interest and a 0.5% administrative fee for a 30-year term;

(b) Any changes to the rates, plans or scope of the project require separate Commission approval. Any changes in the funding that do not affect rates do not require separate Commission approval, provided that Princeton provides an affidavit from a certified public accountant to that effect;

(c) Princeton must provide a copy of the engineer's certified bid tabulations for all contracts awarded as soon as they become available;

(d) Princeton must submit the certificate of substantial completion as soon as available; and

(e) Princeton must provide all required permits to the Commission prior to commencing construction.

(See, Final Joint Staff Memorandum, with attachments).

CONCLUSIONS OF LAW

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

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

3. The District's existing rates are sufficient to support the proposed project.

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

ORDER

IT IS, THEREFORE, ORDERED that the application for a certificate of public convenience and necessity filed with the Commission on June 29, 2010, by the City of Princeton Sanitary Board pursuant to *West Virginia Code* §24-2-11, to improve the First Street Pump Station and to upgrade and expand its wastewater treatment plant, be, and hereby is, granted.

IT IS FURTHER ORDERED that the proposed financing for the project, totaling approximately $9,100,000, and comprised of a loan from the West Virginia Division of Environmental Protection Clean Water State Revolving Fund program in the amount of $6,600,000, with 0% interest and a 0.5% administrative fee for a 30-year term, and with a $2,500,000 grant from the United States Economic Development Administration, be, and hereby is, approved.

IT IS FURTHER ORDERED that, should the scope, plans or financing for the project change, the City of Princeton Sanitary Board obtain prior Commission approval before commencing construction. Changes in project cost do not require separate approval if those changes do not affect rates and Princeton submits an affidavit from a certified public accountant to this effect.

IT IS FURTHER ORDERED that the City of Princeton Sanitary Board submit a copy of the certified tabulation of bids to the Commission, making the bids a part of the Commission's file in this case, as soon as the bids are tabulated.

IT IS FURTHER ORDERED that the City of Princeton Sanitary Board notify the Commission when the project engineer has performed the substantial completion inspection and submit the certificate of substantial completion to the Commission as soon as it becomes available.

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

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

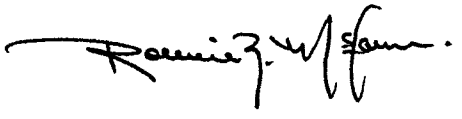
IT IS FURTHER ORDERED that the Executive Secretary serve a copy of this order upon the Commission by hand delivery; by electronic service upon all parties of record who have filed an e-

service agreement with the Commission; and by United States Certified Mail, return receipt requested, upon all parties of record who have not filed an e-service agreement with the Commission.

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

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

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



Ronnie Z. McCann
Deputy Chief Administrative Law Judge

RZM:s
100958a.wpd

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Reply to Charleston Address
wkb@goodwingoodwin.com

December 23, 2010

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

Re: Princeton Sanitary Board
Case No.: 10-0958-S-CN

Dear Ms. Squire:

As counsel for the Princeton Sanitary Board, I have enclosed the original and 12 copies of the **AFFIDAVIT OF MICHAEL GRIFFITH, CPA**. This Affidavit is filed in compliance with the terms of the Recommended Decision of the Commission entered in this case on October 19, 2010, which became Final on November 8, 2010. As a result of bid overruns for the construction of the project, the Board's loan from the West Virginia Division of Environmental Protection Clean Water State Revolving Fund program will increase from $6,600,000 to $9,717,500. However, rates and charges for the Board's customers are not affected by the revised funding.

Should you have any questions or concerns, do not hesitate to contact me.

Sincerely yours,

Bill Bragg

William K. Bragg, Jr.

WKB/aks
Enclosures
cc: Michael Saffel, Princeton Sanitary Board (via e-mail)
Dean Upton (via e-mail)
Ginger Gibson, Region I (via e-mail)

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

Case No.: 10-0958-S-CN

CITY OF PRINCETON SANITARY BOARD

Application for a certificate of convenience and necessity to improve the First Street Pump Station and upgrade and expand the wastewater treatment plant

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

AFFIDAVIT

I, Michael Griffith, CPA, after making an oath of affirmation to tell the truth, say that, I have reviewed the Recommended Decision of the Public Service Commission of West Virginia in Case No. 10-0958-S-CN dated October 19, 2010 which became Final Order on November 8, 2010 approving funding consisting of a $6,600,000 loan from the Department of Environmental Protection, bearing interest at the rate of 0% annually for 30 years with a 0.5% annual administrative fee, and based upon all information that has been provided to me, to date, I am of the opinion that the rates and charges (a) are not affected by the revised funding consisting of a CWSRF loan of $9,717,500 bearing interest at the rate of 0% annually for 30 years with a 0.5% annual administrative fee, and (b) will be sufficient to provide revenues which, together with other revenues of the System, will allow me to provide the CPA certification required for the issuance of the Bonds.

This Affidavit is executed on the 8th day of December, 2010

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

Taken, subscribed and sworn to before me this 8th day of December, 2010.

My commission expires April 26, 2014.

SEAL

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
DREAMA KINGREY
GRIFFITH & ASSOCIATES
950 LITTLE COAL RIVER ROAD
ALUM CREEK, WV 25003
My commission expires April 26, 2014

Dreama Kingrey
Notary Public

Michael D. Griffith, CPA, AFI
mgriffith@gcorpwv.com
950 Little Coal River Road Alum Creek, WV 25003
Phone: (304) 756.3600 Facsimile: (304) 756.2911

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Reply to Charleston Address
wkb@goodwingoodwin.com

January 4, 2011

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

12:32 PM JAN 05 2011 PSC EXEC SEC DIV

Re: Princeton Sanitary Board
Case No.: 10-0958-S-CN

Dear Ms. Squire:

As counsel for the Princeton Sanitary Board, I have enclosed the original and 12 copies of the revised **AFFIDAVIT OF MICHAEL GRIFFITH, CPA.** This Affidavit is filed in compliance with the terms of the Recommended Decision of the Commission entered in this case on October 19, 2010, which became Final on November 8, 2010. As a result of bid overruns for the construction of the project, the Board's loan from the West Virginia Division of Environmental Protection Clean Water State Revolving Fund program will increase from $6,600,000 to $9,100,000. However, rates and charges for the Board's customers are not affected by the revised funding.

This Affidavit supersedes the Affidavit filed on December 27, 2010, under cover of a letter dated December 23, 2010. The revised Affidavit is filed to correct the amount of the WV DEP SRF loan.

Should you have any questions or concerns, do not hesitate to contact me.

Sincerely yours,

Bill Bragg

William K. Bragg, Jr.

WKB/aks
Enclosures
cc: Michael Saffel, Princeton Sanitary Board (via e-mail)
Dean Upton (via e-mail)
Ginger Gibson, Region I (via e-mail)

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

Case No.: 10-0958-S-CN

CITY OF PRINCETON SANITARY BOARD

Application for a certificate of convenience and necessity to improve the First Street Pump Station and upgrade and expand the wastewater treatment plant

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

12:32 PM JAN 05 2011 PSC EXEC SEC DIV

AFFIDAVIT

I, Michael Griffith, CPA, after making an oath of affirmation to tell the truth, say that, I have reviewed the Recommended Decision of the Public Service Commission of West Virginia in Case No. 10-0958-S-CN dated October 19, 2010 which became Final Order on November 8, 2010 approving funding consisting of a $6,600,000 loan from the Department of Environmental Protection, bearing interest at the rate of 0% annually for 30 years with a 0.5% annual administrative fee, and based upon all information that has been provided to me, to date, I am of the opinion that the rates and charges (a) are not affected by the revised funding consisting of a CWSRF loan of $9,100,000 bearing interest at the rate of 0% annually for 30 years with a 0.5% annual administrative fee, and (b) will be sufficient to provide revenues which, together with other revenues of the System, will allow me to provide the CPA certification required for the issuance of the Bonds. Total Project Cost is now $11,600,000.

This Affidavit is executed on the 27th day of December, 2010

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

Taken, subscribed and sworn to before me this 27th day of December, 2010.

My commission expires April 26, 2014.

[SEAL]

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
DREAMA KINGREY
GRIFFITH & ASSOCIATES
950 LITTLE COAL RIVER ROAD
ALUM CREEK, WV 25003
My commission expires April 26, 2014

Notary Public

Michael D. Griffith, CPA, AFI
mgriffith@gcorpwv.com
950 Little Coal River Road Alum Creek, WV 25003
Phone: (304) 756.3600 Facsimile: (304) 756.2911

WEST VIRGINIA
Infrastructure & Jobs Development Council

Gov. Joe Manchin, III
Chairman

Kenneth Lowe, Jr.
Public Member

Dwight Calhoun
Public Member

David "Bones" McComas
Public Member

Ron Justice
Public Member

Angela K. Chestnut, P.E.
Executive Director

Barbara J. Pauley
Administrative Secretary

June 7, 2010

Mike Saffel, General Manager
City of Princeton Sanitary Board
P.O. Box 4950
Princeton, WV 24740

Re: City of Princeton Sanitary Board
Sewer Project 2008S-1013 (Revised)

Dear Mr. Saffel,

The West Virginia Infrastructure and Jobs Development Council (Infrastructure Council) has reviewed the City of Princeton's Sanitary Board (City) revised preliminary application to upgrade and expand the existing wastewater and treatment facility to accommodate continued growth and economic expansion in the City and the surrounding area (Project).

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

Upon consideration of the revised preliminary application, the Infrastructure Council determined that the City should utilize a $2,500,000 U.S. Economic Development Administration grant and pursue a $6,600,000 Clean Water State Revolving Fund loan to fund this $9,100,000 Project. Please contact the West Virginia Division of Environmental Protection office at 304-926-0499 (X1611) for specific information on the steps the City needs to follow to apply for these funds. **Please note that this letter does not constitute funding approval from this agency.**

If you have any questions regarding this matter, please contact Angela K. Chestnut at 304-558-4607 (X201).

Sincerely,

Kenneth Lowe, Jr.

Enclosure

cc: Mike Johnson, P.E., DEP (w/o enclosure) *(via e-mail)*
C. Dean Upton, Stafford Consultants, Inc.
David N. Cole, Region I Planning & Development Council

$9,100,0000
CITY OF PRINCETON
SEWER REVENUE BOND, SERIES 2011
(WV SRF PROGRAM)

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

The undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of itself and the West Virginia Department of Environmental Protection (the "DEP"), and the undersigned Mayor of the City of Princeton (the "City"), for and on behalf of the City, hereby certify as follows:

1. On the 3rd day of March, 2011, at Charleston, West Virginia, the Authority received the City of Princeton, Sewer Revenue Bond, Series 2011 (WV SRF Program) (the "Series 2011 Bond"), numbered R-1, in the principal amount of $9,100,000, dated as of the date hereof. The Series 2011 Bond represents the entire above-captioned bond issue.

2. At the time of such receipt, the Series 2011 Bond had been executed and sealed by the designated officials of the City.

3. The City has received and hereby acknowledges receipt from the Authority of the sums of $542,507.94, being a portion of the principal amount of the Series 2011 Bond. The balance of the principal amount of the Series 2011 Bond will be advanced to the City by the Authority and the DEP as the construction of the Project progresses.

WITNESS my signature on this 3rd day of March, 2011.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: Carol A. Cummings
Authorized Representative

CITY OF PRINCETON

By: Danny W. Russell
Mayor

$9,100,000
CITY OF PRINCETON, WEST VIRGINIA
SEWER REVENUE BOND
SERIES 2011 (WV SRF PROGRAM)

REQUEST AND AUTHORIZATION TO
AUTHENTICATE AND DELIVER BOND

March 3, 2011

First Community Bank, N.A.
P.O. Box 950
211 Federal Street
Bluefield, WV 24701-0950

Ladies and Gentlemen:

We herewith hand to you, duly executed, the $9,100,000 City of Princeton, Sewer Revenue Bond, Series 2011 (WV SRF Program), in the form of one Bond, numbered R-1, dated the date hereof (the "Bond"), issued by the City of Princeton (the "Issuer"), authorized to be issued under and pursuant to the Bond Ordinance enacted on February 1, 2011, as amended by a Supplemental Resolution adopted by the Issuer on February 14, 2011 (collectively, the "Ordinance"). Other defined terms herein shall have the meanings respectively given such terms in the Ordinance.

You have received all the documents required to be filed with you pursuant to the Ordinance.

You are hereby requested and authorized to authenticate, register and deliver the Bond on behalf of the Issuer to West Virginia Water Development Authority, on behalf of the West Virginia Department of Environmental Protection, as the Purchaser of the Bond, upon payment of $542,507.94, being a portion of the principal of the Bond.

CITY OF PRINCETON

By: Deervez W. Russell
Mayor

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF PRINCETON
SEWER REVENUE BOND, SERIES 2011
(WV CWSRF PROGRAM)

COPY

No. R-1 $9,100,000

KNOW ALL MEN BY THESE PRESENTS: That CITY OF PRINCETON, a municipal corporation, public corporation and political subdivision of the State of West Virginia in Mercer County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefore, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of NINE MILLION ONE HUNDRED THOUSAND DOLLARS ($9,100,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2013, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2013, as set forth on EXHIBIT B attached hereto.

This Bond shall bear interest at the rate of zero percent (0%) per annum, plus a 0.5% annual administrative fee, beginning March 3, 2011. Principal and interest installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Issuer, the Authority and the DEP, dated March 3, 2011.

This Bond is issued (i) to pay a portion of the costs of acquiring, constructing and equipping certain improvements and extensions to the existing public sewerage facilities of the Issuer (the "Project"); (ii) to repay the principal of and interest on the Issuer's Sewer Bond Anticipation Note, Series 2008; and (iii) to pay certain costs of issuance hereof and related costs. The existing public sewerage facilities of the Issuer, the improvements and extensions constructed by the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the

State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on February 1, 2011, and a Supplemental Resolution duly adopted by the Issuer on February 14, 2011 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S $1,015,000 SEWER REFUNDING REVENUE BONDS, SERIES 1996 (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds from moneys in the reserve account created under the Bond Legislation for this Bond (the "Series 2011 Bond Reserve Account") and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds that may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2011 Bond Reserve Account and unexpended proceeds of this Bond. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on this Bond and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Prior Bonds; provided however, that so long as there exists in the Series 2011 Bond Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on parity with this Bond, including the Prior Bonds, an amount at least equal to the requirement therefore, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owner of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owner of this Bond are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

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

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

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

IN WITNESS WHEREOF, CITY OF PRINCETON has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated March 3, 2011.

[SEAL]

COPY

Mayor

ATTEST:

Kenneth E. Clay

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

Date: March 3, 2011.

First Community Bank, N.A., as Registrar

By: _____
Vice President

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$542,508.00	3/3/11	(6)	$	
(2)	$		(7)	$	
(3)	$		(8)	$	
(4)	$		(9)	$	
(5)	$		(10)	$	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

BOND DEBT SERVICE

City of Princeton

CWSRF

0% Interest Rate, 0/5% Administrative Fee

Dated Date	03/03/11
Delivery Date	03/03/11

Period Ending	Principal	Interest	Debt Service
03/01/13	75,834		75,834
06/01/13	75,834		75,834
09/01/13	75,834		75,834
12/01/13	75,834		75,834
03/01/14	75,834		75,834
06/01/14	75,834		75,834
09/01/14	75,834		75,834
12/01/14	75,834		75,834
03/01/15	75,834		75,834
06/01/15	75,834		75,834
09/01/15	75,834		75,834
12/01/15	75,834		75,834
03/01/16	75,834		75,834
06/01/16	75,834		75,834
09/01/16	75,834		75,834
12/01/16	75,834		75,834
03/01/17	75,834		75,834
06/01/17	75,834		75,834
09/01/17	75,834		75,834
12/01/17	75,834		75,834
03/01/18	75,834		75,834
06/01/18	75,834		75,834
09/01/18	75,834		75,834
12/01/18	75,834		75,834
03/01/19	75,834		75,834
06/01/19	75,834		75,834
09/01/19	75,834		75,834
12/01/19	75,834		75,834
03/01/20	75,834		75,834
06/01/20	75,834		75,834
09/01/20	75,834		75,834
12/01/20	75,834		75,834
03/01/21	75,834		75,834
06/01/21	75,834		75,834
09/01/21	75,834		75,834
12/01/21	75,834		75,834
03/01/22	75,834		75,834
06/01/22	75,834		75,834
09/01/22	75,834		75,834
12/01/22	75,833		75,833
03/01/23	75,833		75,833
06/01/23	75,833		75,833
09/01/23	75,833		75,833
12/01/23	75,833		75,833

BOND DEBT SERVICE

City of Princeton

CWSRF

0% Interest Rate, 0/5% Administrative Fee

Period Ending	Principal	Interest	Debt Service
03/01/24	75,833		75,833
06/01/24	75,833		75,833
09/01/24	75,833		75,833
12/01/24	75,833		75,833
03/01/25	75,833		75,833
06/01/25	75,833		75,833
09/01/25	75,833		75,833
12/01/25	75,833		75,833
03/01/26	75,833		75,833
06/01/26	75,833		75,833
09/01/26	75,833		75,833
12/01/26	75,833		75,833
03/01/27	75,833		75,833
06/01/27	75,833		75,833
09/01/27	75,833		75,833
12/01/27	75,833		75,833
03/01/28	75,833		75,833
06/01/28	75,833		75,833
09/01/28	75,833		75,833
12/01/28	75,833		75,833
03/01/29	75,833		75,833
06/01/29	75,833		75,833
09/01/29	75,833		75,833
12/01/29	75,833		75,833
03/01/30	75,833		75,833
06/01/30	75,833		75,833
09/01/30	75,833		75,833
12/01/30	75,833		75,833
03/01/31	75,833		75,833
06/01/31	75,833		75,833
09/01/31	75,833		75,833
12/01/31	75,833		75,833
03/01/32	75,833		75,833
06/01/32	75,833		75,833
09/01/32	75,833		75,833
12/01/32	75,833		75,833
03/01/33	75,833		75,833
06/01/33	75,833		75,833
09/01/33	75,833		75,833
12/01/33	75,833		75,833
03/01/34	75,833		75,833
06/01/34	75,833		75,833
09/01/34	75,833		75,833
12/01/34	75,833		75,833
03/01/35	75,833		75,833
06/01/35	75,833		75,833
09/01/35	75,833		75,833
12/01/35	75,833		75,833

BOND DEBT SERVICE

City of Princeton

CWSRF

0% Interest Rate, 0/5% Administrative Fee

Period Ending	Principal	Interest	Debt Service
03/01/36	75,833		75,833
06/01/36	75,833		75,833
09/01/36	75,833		75,833
12/01/36	75,833		75,833
03/01/37	75,833		75,833
06/01/37	75,833		75,833
09/01/37	75,833		75,833
12/01/37	75,833		75,833
03/01/38	75,833		75,833
06/01/38	75,833		75,833
09/01/38	75,833		75,833
12/01/38	75,833		75,833
03/01/39	75,833		75,833
06/01/39	75,833		75,833
09/01/39	75,833		75,833
12/01/39	75,833		75,833
03/01/40	75,833		75,833
06/01/40	75,833		75,833
09/01/40	75,833		75,833
12/01/40	75,833		75,833
03/01/41	75,833		75,833
06/01/41	75,833		75,833
09/01/41	75,833		75,833
12/01/41	75,833		75,833
03/01/42	75,833		75,833
06/01/42	75,833		75,833
09/01/42	75,833		75,833
12/01/42	75,834		75,834
	9,100,000	*	**9,100,000**

*Plus a quarterly administrative fee of $5,735.90 for a total Administrative expense of $688,308

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 20__.

_____

In the presence of:

_____

BOND REGISTER

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF PRINCETON
SEWER REVENUE BOND, SERIES 2011
(WV CWSRF PROGRAM)

Bond Number	Principal Amount	Date of Bond
No. R-1	$9,100,000	March 3, 2011

NO WRITING ON THIS BOND REGISTER EXCEPT BY THE REGISTRAR

Name of Registered Owner:

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

Signature of Registrar:

First Community Bank, N.A.

By: _____
Vice President

LAW OFFICES
GOODWIN & GOODWIN, LLP
300 SUMMERS STREET, SUITE 1500
CHARLESTON, WEST VIRGINIA 25301-1678

P O BOX 2107
CHARLESTON, WEST VIRGINIA 25328-2107

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500 CHURCH STREET
RIPLEY, WEST VIRGINIA 25271
(304) 372-2651

March 3, 2011

City of Princeton
Princeton, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Re: City of Princeton, Sewer Revenue Bond
Series 2011 (West Virginia SRF Program)

Ladies and Gentlemen:

We have served as bond counsel to the City of Princeton (the "Issuer") in connection with the issuance of its Sewer Revenue Bond, Series 2011 (West Virginia SRF Program) (the "Series 2011 Bond"), dated the date hereof.

We have examined certified copies of proceedings and other papers relating to the authorization of (i) the Bond Purchase Agreement for the Series 2011 Bond, dated March 3, 2011, including all schedules and exhibits attached thereto (the "Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP") and (ii) the Series 2011 Bond to be purchased by the Authority in accordance with the provisions of the Agreement.

The Series 2011 Bond is issued in the principal amount of $9,100,000, in the form of one bond, registered to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2013, all as set forth in the Schedule Y attached to the Agreement and incorporated in and made a part of the Series 2011 Bond. The Series 2011 Bond is subject to the SRF Administrative Fee equal to 0.5% of the principal amount of the Series 2011 Bond as set forth in the Schedule Y attached to the Agreement and incorporated in and made a part of the Series 2011 Bond.

The Series 2011 Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of constructing certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); (ii) paying the principal of and interest on the Issuer's Sewer Bond Anticipation Note, Series 2008; and (iii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act and a Bond Ordinance duly enacted by the Issuer on February 1, 2011, as supplemented by a Supplemental Resolution duly adopted by the Issuer on February 14, 2011 (collectively, the "Ordinance"), pursuant to and under which Act and Ordinance the Series 2011 Bond is authorized and issued, and the Agreement is entered into. The Series 2011 Bond is subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Ordinance and the Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Ordinance and the Agreement when used herein.

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

1. The Issuer is a duly created and validly existing municipality and is a public corporation and political subdivision of the State of West Virginia, with full power and authority to construct the Project, to operate and maintain the System, to enact the Ordinance and to issue and sell the Series 2011 Bond, all under the Act and other applicable provisions of law.

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

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

4. The Issuer has legally and effectively enacted the Ordinance and all other necessary resolutions in connection with the issuance and sale of the Series 2011 Bond. The Ordinance constitutes a valid and binding obligation of the Issuer,

enforceable against the Issuer in accordance with its terms thereof and contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Agreement.

5. The Series 2011 Bond has been duly authorized, issued, executed and delivered by the Issuer to the Authority and is a valid, legally enforceable and binding special obligation of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and a pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Prior Bonds, all in accordance with the terms of the Series 2011 Bond and the Ordinance.

6. Under the Act, the Series 2011 Bond and the interest thereon are exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

7. The Series 2011 Bond has 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, if any, from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Series 2011 Bond.

No opinion is given herein as to the effect upon the enforceability of the Series 2011 Bond under any applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights or the exercise of judicial discretion or principles of equity in appropriate cases.

We have examined the executed and authenticated Series 2011 Bond numbered R-1 and in our opinion, the form of said Series 2011 Bond and its execution and authentication are regular and proper.

Respectfully submitted,

Goodwin & Goodwin, LLP

GOODWIN & GOODWIN, LLP

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RIPLEY, WEST VIRGINIA 25271
(304) 372-2651

March 3, 2011

City of Princeton
Princeton, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Re: City of Princeton, Sewer Revenue Bond
Series 2011 (West Virginia SRF Program)

Ladies and Gentlemen:

We have served as bond counsel to the City of Princeton (the "Issuer") in connection with the issuance of its Sewer Revenue Bond, Series 2011 (West Virginia SRF Program) (the "Series 2011 Bond"), dated the date hereof.

We have examined certified copies of proceedings and other papers relating to the authorization of (i) the Bond Purchase Agreement for the Series 2011 Bond, dated March 3, 2011, including all schedules and exhibits attached thereto (the "Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP") and (ii) the Series 2011 Bond to be purchased by the Authority in accordance with the provisions of the Agreement.

The Series 2011 Bond is issued in the principal amount of $9,100,000, in the form of one bond, registered to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2013, all as set forth in the Schedule Y attached to the Agreement and incorporated in and made a part of the Series 2011 Bond. The Series 2011 Bond is subject to the SRF Administrative Fee equal to 0.5% of the principal amount of the Series 2011 Bond as set forth in the Schedule Y attached to the Agreement and incorporated in and made a part of the Series 2011 Bond.

The Series 2011 Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of constructing certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); (ii) paying the principal of and interest on the Issuer's Sewer Bond Anticipation Note, Series 2008; and (iii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act and a Bond Ordinance duly enacted by the Issuer on February 1, 2011, as supplemented by a Supplemental Resolution duly adopted by the Issuer on February 14, 2011 (collectively, the "Ordinance"), pursuant to and under which Act and Ordinance the Series 2011 Bond is authorized and issued, and the Agreement is entered into. The Series 2011 Bond is subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Ordinance and the Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Ordinance and the Agreement when used herein.

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

1. The Issuer is a duly created and validly existing municipality and is a public corporation and political subdivision of the State of West Virginia, with full power and authority to construct the Project, to operate and maintain the System, to enact the Ordinance and to issue and sell the Series 2011 Bond, all under the Act and other applicable provisions of law.

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

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

4. The Issuer has legally and effectively enacted the Ordinance and all other necessary resolutions in connection with the issuance and sale of the Series 2011 Bond. The Ordinance constitutes a valid and binding obligation of the Issuer,

enforceable against the Issuer in accordance with its terms thereof and contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Agreement.

5. The Series 2011 Bond has been duly authorized, issued, executed and delivered by the Issuer to the Authority and is a valid, legally enforceable and binding special obligation of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and a pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Prior Bonds, all in accordance with the terms of the Series 2011 Bond and the Ordinance.

6. Under the Act, the Series 2011 Bond and the interest thereon are exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

7. The Series 2011 Bond has 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, if any, from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Series 2011 Bond.

No opinion is given herein as to the effect upon the enforceability of the Series 2011 Bond under any applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights or the exercise of judicial discretion or principles of equity in appropriate cases.

We have examined the executed and authenticated Series 2011 Bond numbered R-1 and in our opinion, the form of said Series 2011 Bond and its execution and authentication are regular and proper.

Respectfully submitted,

Goodwin + Goodwin, LLP

GOODWIN & GOODWIN, LLP

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*J. W. Barringer*** *Dottie Nelson (Paralegal)*
*Admitted in Virginia & West Virginia Email: jwfeuch@fblegalcorp.com
**Admitted in West Virginia

March 3, 2011

City of Princeton
Princeton, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Goodwin & Goodwin, LLP
Charleston, West Virginia

Re: $9,100,000 City of Princeton
Sewer Revenue Bond, Series 2011
(WV SRF Program)

Gentlemen:

As attorney for the City of Princeton, Mercer County, West Virginia (the "City"), I have examined the record of proceedings relating to the issue of the City of Princeton, Sewer Revenue Bond, Series 2011 (WV SRF Program) (the "Bond") and have considered the validity of the Bond issue. In this connection, I have examined and am familiar with the constitution and statutes of the State of West Virginia, including Chapter 16, Article 13 and Chapter 22C, Article 2 of the Code of West Virginia of 1931, as amended (collectively, the "Act"), the City's Charter, related minutes and a certified copy of the Ordinance enacted by the City (the "Ordinance"), the Bond Purchase Agreement for the Bond, dated March 3, 2011, including all schedules and exhibits attached thereto (the "Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), a copy of the certificate of convenience and public necessity issued by the West Virginia Public Service Commission, the sewer rates necessary to pay for the Bond as described in the Ordinance, copies of contracts and other documents relating to the funding and approval for the project by the City, and other documents relating to the project and other documents incidental and material to the issuance by the City of the Bond. From such familiarity and examination, I am of the opinion as follows:

1. The City is a duly created and presently existing municipality and political subdivision of the State of West Virginia with full power and authority to construct and acquire and to operate and maintain the Sewer System and to issue and sell the Bond, all under the provisions of Chapter 16,

Article 13 (the "Act"), of the Code of West Virginia of 1931, as amended, and other applicable provisions of law.

2. The City, through City Council (the "Council"), has legally and effectively enacted the Ordinance and has duly authorized the issuance and delivery of the Bond to the Authority, for the benefit of the DEP, and the Mayor of the City is duly and lawfully entitled to and authorized to execute the Bond. The Agreement has been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the Authority and the DEP, constitutes a valid and binding agreement of the City, enforceable in accordance with its terms.

3. The Mayor, City Clerk and members of the Council have been duly elected or appointed and have fulfilled all requirements necessary to carry on their duties as provided under the Act.

4. The Bond constitutes a valid and legally enforceable special obligation of the City secured by and payable solely from a lien on and pledge of the Surplus Revenues of the System, as described in the Ordinance, all in accordance with the terms of the Bond and the Ordinance.

5. The City, through its Council, has legally and effectively enacted the sewer rates necessary to make the payments on the Bond from the rates described in the Ordinance, and it has lawfully enacted and has filed a tariff that has been approved by the West Virginia Public Service Commission for the sewer rates that are described within the Ordinance, which rates are not subject to appeal or protest.

6. The City, through its Council, has legally and effectively enacted all other ordinances, contracts and agreements that are necessary to comply with the Agreement and the conditions required therein and has complied with all necessary provisions of the Ordinance necessary before the Bond may be issued and delivered so that the Bond can, in fact, be lawfully issued and delivered.

7. The Sanitary Board of the City met on January 7, 2011, and approved a petition directing the City to issue the Bond pursuant to the Act, in an amount not to exceed $9,100,000, to pay a portion of the costs of said construction of additions, improvements and betterments and directed that the Bond be issued at the earliest possible date pursuant to the Act.

8. The execution and delivery of the Bond and the enactment of the Ordinance and compliance with the provisions of them will not conflict with nor constitute a breach of or default under any agreement or other instrument known to us to which the City is a party, or any court order or consent decree known to me to which the City is subject, or any law or administrative regulation to which the City is subject.

9. All authorization, consents, approvals and reviews by governmental bodies or regulatory authorities then required for the City's adoption, execution or performance of the Bond and the Ordinance have been obtained or affected, and I have no reason to believe that the City will be unable to obtain or affect any additional such authorizations, consents or approvals that may be required in the future for performances of any of them by the City.

10. I have ascertained that all successful bidders have provided the drug free workplace affidavit, submitted their drug free workplace plan, and the contracts contain language that comply with the Drug Free Workplace Act, Article 1D, Chapter 21 of the West Virginia Code. I have also ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds, and I have reviewed such insurance policies or binders and such bonds for accuracy. I have reviewed the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project and verified that such surety bonds and policies (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the City; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Ordinance and the Loan Agreement with the West Virginia Water Development Authority, for the benefit of the West Virginia Department of Environmental Protection; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

11. To my knowledge, there is no action, suit, proceeding or investigation at law or in equity by any court, public board or body, pending or threatened against of affecting the City or any member of the Council, and no facts exist relating to the composition of the Council or the exercise of their duties, wherein an unfavorable decision, ruling or finding would have a materially adverse effect upon the validity of the Bond or the Ordinance.

All counsel to this transaction may rely upon this opinion as if specifically addressed to them.

The foregoing opinion is qualified to the extent that the enforceability of the liens, pledges and terms set forth in the Bond and in the Bond Ordinance may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally.

Very truly yours,

J. W. Barringer

JWB:djn

FEUCHTENBERGER & BARRINGER LEGAL CORPORATION

Attorneys at Law
335 New Hope Road
P.O. Box 5726
Princeton, WV 24740
304-425-5198 Fax: 304-487-2350

J. W. Feuchtenberger*
J. W. Barringer**
*Admitted in Virginia & West Virginia
**Admitted in West Virginia

James Moses (Gen. Mgr.)
Dottie Nelson (Paralegal)
Email: jwfeuch@fblegalcorp.com

March 3, 2011

City of Princeton
Princeton, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Re: Final Title Opinion for City of Princeton

Ladies and Gentlemen:

We are counsel to City of Princeton (the "Issuer") in connection with a proposed project to construct improvements to its existing wastewater treatment plant (the "Project"). We provide this final title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Department of Environmental Protection (the "DEP") for the Project. Please be advised of the following:

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

2. The Issuer has obtained all necessary permits and approvals for the construction of the Project. In rendering this opinion, we have relied upon the Engineer's Certificate of Stafford Consultants, Inc., the consulting engineers for the Project.

3. We have investigated and ascertained the location of, and are familiar with the legal description of, the necessary sites, including easements and/or rights of way,

required for the Project as set forth in the plans for the Project prepared by Stafford Consultants, Inc.

4. No new property, easements or rights of way have to be acquired by the Issuer for the Project. The Issuer has heretofore acquired legal title or such other estate (such as a leasehold estate and agreement to exchange property) or interest in all of the necessary site components for the Project, including all easements and/or rights of way, sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the Project.

EXCEPTION: The Princeton Sanitary Board is presently in the process of completing acquisition of a 100' x 150' parcel (the location of a Sanitary Board pump station) from the Norfolk Southern Railway Company. The property has been leased from the Railroad for many years, but the lease is for an indefinite term and it is the desire of the Sanitary Board to own the property. The property is under contract to be purchased, a survey and description have been prepared, the Railroad has been sent the consideration for the transaction, and the Sanitary Board is awaiting receipt of the executed deed for recordation. This property is being purchased solely from Sanitary Board funds, and no project money is involved.

5. All easements and rights of way that have been acquired to date by the Issuer have been duly recorded in the Office of the Clerk of the County Commission of Mercer County to protect the legal title to and interest of the Issuer.

Very truly yours,

J. W. Barringer

JWB:djn

80000 SERIES
30% P C W

FSC

Mixed Sources

$9,100,0000
CITY OF PRINCETON
SEWER REVENUE BOND, SERIES 2011
(WV SRF PROGRAM)

GENERAL CERTIFICATE ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. SIGNATURES AND DELIVERY
6. PUBLIC SERVICE COMMISSION ORDER
7. RATES
8. INCUMBENCY AND OFFICIAL NAME
9. LAND AND RIGHTS-OF-WAY
10. MEETINGS
11. INSURANCE
12. BOND PURCHASE AGREEMENT
13. SPECIMEN BOND
14. BOND PROCEEDS
15. CONFLICTS OF INTEREST
16. VERIFICATION OF SCHEDULE
17. PROCUREMENT OF ENGINEERING SERVICES
18. CLEAN WATER ACT
19. COUNTERPARTS

We, the undersigned MAYOR and the undersigned CITY CLERK of the City Council of City of Princeton (the "Issuer") and the undersigned ATTORNEY for the Issuer, hereby certify in connection with the City of Princeton, Sewer Revenue Bond, Series 2011 (WV SRF Program) (the "Series 2011 Bond"), dated the date hereof, as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning set forth in the Bond Ordinance duly enacted by the Issuer on February 1, 2011, and the Supplemental Resolution duly adopted by the Issuer on February 14, 2011 (collectively, the "Ordinance").

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 in any manner the authorization, issuance, sale and delivery of the Series 2011 Bond, the design of the Project, the operation of the System, the collection or use of the revenues of the System, or the pledge and security of the Surplus Revenues for the Series 2011 Bond; nor

affecting the validity of the Series 2011 Bond or any provisions made or authorized for the payment thereof; nor questioning the existence of the Issuer or the title of the members of its governing body or the elected officials or officers of the Issuer or the City Council thereof to their respective offices; nor questioning any proceedings of the Issuer taken with respect to the authorization, issuance, sale or delivery of the Series 2011 Bond, the acquisition, construction and equipping of the Project, the operation of the System, the collection or use of the revenues of the System, or the pledge and security of the Surplus Revenues for the Series 2011 Bond.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals, permits, exemptions, consents, authorizations, registrations, licenses, orders and certificates required by law for the creation and existence of the Issuer, the operation of the System and the issuance of the Series 2011 Bond have been duly and timely obtained and remain in full force and effect. Upon reliance on the Engineer's Certificate of Stafford Consultants, Inc., competitive bids for the acquisition and construction of the Project have been solicited by the Issuer in accordance with Chapter 5, Article 22, Section 1 of the Code of West Virginia, 1931, as amended, which bids remain in full force and effect. The successful bidders have provided the Drug-Free Workplace affidavits as evidence of compliance with the provisions of Chapter 21, Article 1D of the Code of West Virginia, 1931, as amended.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the enactment of the Ordinance. The Issuer has met all conditions set forth in the Ordinance and will provide the financial, institutional, legal and managerial capabilities necessary to complete and operate the Project.

The Series 2011 Bond shall be issued on parity with the Issuer's Sewer Revenue Refunding Bonds, Series 1996, dated August 15, 1996, issued in the original principal amount of $1,015,000, currently outstanding in the amount of $100,000, with respect to liens, pledge and source of and security for payment and in all other respects. There are no other bonds, Bonds or obligations of the Issuer that are secured by revenues or assets of the System.

5. SIGNATURES AND DELIVERY: The undersigned Mayor and City Clerk are the duly elected or appointed, qualified and acting officers of the Issuer as indicated by the official titles opposite their signatures below, and are duly authorized to execute and seal the Series 2011 Bond for the Issuer. The seal impressed upon the Series 2011 Bond and this Certificate is the duly authorized, proper and only seal of the Issuer. On the date hereof, the undersigned Mayor did officially sign the Series 2011 Bond, dated the date hereof, by his manual signature; the undersigned City Clerk did officially cause the seal of the Issuer to be affixed upon the Series 2011 Bond and to be attested by his manual signature; the Registrar did officially authenticate and deliver the Series 2011 Bond to the West Virginia Water Development Authority, for the benefit of the West Virginia Department of Environmental Protection (the "Purchaser"), as the original purchaser of the Series 2011 Bond.

6. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Recommended Decision of the PSC entered on October 19, 2010, as made final by the PSC on

November 8, 2010, in Case No. 10-0958-S-CN, granting the Issuer a certificate of public convenience and necessity for the Project and approving financing for the acquisition, construction and equipping of the Project. The time for appeal of the Recommended Decision entered on October 19, 2010, expired prior to the date hereof without any appeal having been filed. Such order remains in full force and effect.

7. RATES: The rates for the System are currently in effect.

8. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "City of Princeton", and it is a municipal corporation organized and existing under the laws of, and a political subdivision of, the State of West Virginia in Mercer County of said State. The governing body of the Issuer is its Mayor and City Council, consisting of five members, whose names and dates of commencement and termination of their current terms are as follows:

Name	Term	Office
Dewey W. Russell	July 1, 2011 to June 30, 2011	Mayor
Patricia Wilson	July 1, 2011 to June 30, 2011	Vice Mayor
Kenneth E. Clay	Appointed	City Clerk
John E. Wilborn	July 1, 2009 to June 30, 2013	Council Member
Marshall V. Lytton	July 1, 2009 to June 30, 2013	Council Member
Chris Stanley	July 1, 2009 to June 30, 2013	Council Member
Tim Ealy	July 1, 2009 to June 30, 2013	Council Member
Patricia Wilson	July 1, 2007 to June 30, 2011	Council Member
Dewey W. Russell	July 1, 2007 to June 30, 2011	Council Member
James Norman	September 13, 2011 to June 30, 2011	Council Member

The duly appointed and acting attorney for the Issuer is Paul Cassell, Esq., of Wytheville, Virginia.

9. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the operation and maintenance of the System have been acquired and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions that would adversely affect or interfere in any way with the use thereof for such purposes.

EXCEPTION: The Princeton Sanitary Board is presently in the process of completing acquisition of a 100' x 150' parcel (the location of a Sanitary Board pump station) from the Norfolk Southern Railway Company. The property has been leased from the Railroad for many years, but the lease is for an indefinite term and it is the desire of the Sanitary Board to own the property. The property is under contract to be purchased, a survey and description have been prepared, the Railroad has been sent the consideration for the transaction, and the Sanitary Board is awaiting receipt of the executed deed for recordation. This property is being purchased solely from Sanitary Board funds, and no project money is involved.

10. MEETINGS: All actions, ordinances, resolutions, orders and agreements taken, enacted, adopted and entered into by or on behalf of the Issuer in any way connected with the issuance of the Series 2011 Bond and the design and financing of the Project or the System were authorized or adopted at meetings of the Council duly and regularly or specifically called and held pursuant to all applicable statutes, and a quorum of duly elected, qualified and acting members of the Council was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

11. INSURANCE: The Issuer will maintain or, as appropriate, will require all contractors to maintain Workers' Compensation, public liability and property damage insurance, standard hazard insurance, builder's risk insurance, flood insurance and business interruption insurance, where applicable, in accordance with the Ordinance.

12. BOND PURCHASE AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Bond Purchase Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Bond Purchase Agreement does not contain any untrue statements of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Bond Purchase Agreement, which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading; and (iv) the Issuer is in compliance with the Bond Purchase Agreement.

The System serves 4,300 customers, and the Project is not intended to add any new customers. The Issuer will not reduce the number customers served by the System, except for ordinary customer fluctuation demand, without the prior written approval of the Board of the Authority. Following completion of the Project, the Issuer shall certify to the Authority the number of customers served by the System.

13. SPECIMEN BOND: Attached hereto as Exhibit A is a specimen of the Series 2011 Bond which, except as to execution and authentication, is identical in all respects with the Series 2011 Bond this day delivered to the Purchaser and being substantially in the form prescribed in the Ordinance.

14. BOND PROCEEDS: On the date hereof, the Issuer received $542,507.94 from the Purchaser, being a portion of the principal amount of the Series 2011 Bond.

15. CONFLICTS 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 the sale of any land, materials, supplies or services to the Issuer, or to any contractor supplying the Issuer, relating to the Series 2011 Bond, the Ordinance and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

16. VERIFICATION OF SCHEDULE: The final amended Schedule A attached to the Certificate of Consulting Engineer, with the signatures of the City Manager of the Issuer, the General Manager of the System and the Consulting Engineer, accurately represents the estimated costs of the acquisition, construction and equipping of the Project, the sources of funds available to pay the costs of the Project and the costs of financing of the 2011 Bond.

17. PROCUREMENT OF ENGINEERING SERVICES: The Issuer has complied with all the requirements of Chapter 5G, Article 1 of the Code of West Virginia, 1931, as amended, in the procurement of the engineering services of the Consulting Engineer.

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

19. COUNTERPARTS: This Certificate may be executed in counterparts and all counterparts shall be deemed to be the Certificate.

WITNESS our signatures and the official corporate seal of City of Princeton as of the 3rd day of March, 2011.

[SEAL]

Signature	Official Title
Danny W. Russell	Mayor
Kenneth E. Clay	City Clerk
Jay Barringer	Attorney

EXHIBIT A

See Specimen Bond (Tab No. 9)

STAFFORD CONSULTANTS INCORPORATED

Engineering, Design, and Consulting
Planning and Environmental Services

$9,100,000
CITY OF PRINCETON
SEWER REVENUE BOND, SERIES 2011
(WV SRF PROGRAM)

ENGINEER'S CERTIFICATE

I, C. Dean Upton, Registered Professional Engineer, West Virginia License No. 7829, of Stafford Consultants, Inc., Princeton, West Virginia, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain improvements and extensions (the "Project") to the existing sewer system (the "System") of the City of Princeton (the "City") to be constructed in Mercer County, West Virginia, which construction and acquisition are being financed, in part, by the above-captioned sewer revenue bond of the City (the "Bond"). Capitalized terms used and not otherwise defined herein shall have the meaning assigned to such terms in the Ordinance enacted by the City Council of the City on February 1, 2011 (the "Ordinance").

2. The Bond is being issued for the purposes of (i) paying a portion of the costs of the Project, (ii) to repay the principal of and interest on the City's Sewer Bond Anticipation Note, Series 2008; and (iii) paying costs of issuance and related costs.

3. To the best of my knowledge, information and belief (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the DEP, and any change orders approved by the Issuer, the DEP and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and will have a useful life of at least 30 years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A, and Mr. Jay Barringer, counsel to the Issuer, will ascertain that all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously

deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefore, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; and (x) attached hereto as Exhibit A is the final amended "Schedule B-Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

4. The System serves 4,300 customers, and the Project is not intended to add any new customers.

WITNESS my signature on this 3rd day of March 2011.

[SEAL]

STAFFORD CONSULTANTS, INC.

By: _____

C. Dean Upton, P.E.
West Virginia License No. 7829

Exhibit A

SCHEDULE B

City of Princeton / Princeton Sanitary Board

WV DEP Loan $9,100,000 / U S Dept. of Commerce EDA Grant $2,500,000

Princeton Wastewater Treatment Plant Upgrade

FINAL TOTAL COST OF PROJECT, SOURCES OF FUNDS, AND COST OF FINANCING

A. COST OF PROJECT	TOTAL BUDGET	WV DEP	EDA
1.Construction Bid	9,717,500.00	7,217,500.00	2,500,000.00
2.Technical Services			
Basic Service	117,876.00	117,876.00	
Resident Inspection	166,031.00	166,031.00	
Special Services	31,381.00	31,381.00	
3. Design Loan Expenses	468,694.00	468,694.00	
4. Legal	2,050.00	2,050.00	
5. Administrative	80,000.00	80,000.00	
6. Permits	3,185.00	3,185.00	
7. Accountant	20,287.00	20,287.00	
8. Contingency	974,046.00	974,046.00	
9. Total of Lines 1 through 8	**11,581,050.00**	**9,081,050.00**	**2,500,000.00**
B. COST OF FINANCING	0.00		
10. Other Costs	0.00		
a. Bond Counsel	18,450.00	18,450.00	
b. Registrar Fee	500.00	500.00	
11. TOTAL PROJECT COSTS	**11,600,000.00**	**9,100,000.00**	**2,500,000.00**
C. SOURCE OF OTHER FUNDS			
12. State loan	0.00		0.00
13. Other Grants (USEDA)	2,500,000.00		2,500,000.00
14. Size of Bond Issue	**9,100,000.00**	**9,100,000.00**	**0.00**

Michael E. Saffel, CES/MBA	Wayne Shumate, City Manager	Dean Upton, P. E.
Princeton Sanitary Board	City of Princeton	Stafford Consultants, Inc.
DATE:	DATE:	DATE:

City of Princeton / Princeton WWTP UPGRADE PROJECT

DEP SRF Loan $ 9,100,000 C544281 / US EDA Grant $2,500,000 #01-01-085685

	Approved Budget	Paid Design Loan	Construction Budget
Administration	$80,000.00		$80,000.00
Engineering			
Basic	$485,391.00	$367,514.50	$117,876.50
Resident Inspection	$166,031.00		$166,031.00
Special Services	$38,866.00	$7,485.50	$31,380.50
Legal	$21,450.00	$19,400.50	$2,049.50
Accountant	$45,000.00	$24,712.86	$20,287.14
Design Loan Expenses	$47,766.00	$47,765.83	$0.17
Construction	$9,717,500.00		$9,717,500.00
Conyingency	$974,046.00		$974,046.00
Bond Counsel / Reg. Fee	$18,950.00		$18,950.00
Permits	$5,000.00	$1,814.68	$3,185.32
Total Amount	$11,600,000.00	$468,693.87	$11,131,306.13

March 3, 2011

$9,100,0000
CITY OF PRINCETON
SEWER REVENUE BOND, SERIES 2011
(WEST VIRGINIA SRF PROGRAM)

CERTIFIED PUBLIC ACCOUNTANT'S CERTIFICATE

City of Princeton
Princeton, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Division of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

I have reviewed the sewer rates of City of Princeton (the "Issuer"), as approved by the order of the Public Service Commission of West Virginia entered October 19, 2010, in Case No. 10-0958-S-CN, the projected operating expenses and the anticipated customer usage provided by Stafford Consultants, Inc., the consulting engineer of the Issuer. It is my opinion that such rates are sufficient (i) to provide for all operating expenses of the sewer facilities of the Issuer (the "System") and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Issuer's $1,015,551 City of Princeton, Sewer Revenue Refunding Bonds, Series 1996 (the "Prior Bonds"), and its Sewer Revenue Bond, Series 2011 (West Virginia SRF Program) (the "Series 2011 Bond").

It is further my opinion that the Net Revenues for the fiscal year following the year in which the Series 2011 Bond is to be issued will be at least 115% of the average annual debt service requirements on the Prior Bonds and the Series 2011 Bond.

It is further my opinion that the Net Revenues actually derived from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of the Series 2011 Bond, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Series 2011 Bond, will not be less than 115% of the maximum annual amount which will mature and become due in any succeeding year for principal of and interest on the Prior Bonds and the Series 2011 Bond.

Very truly yours,

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

MDG/dk

Michael D. Griffith, CPA, AFI
mgriffith@gcorpwv.com
950 Little Coal River Road Alum Creek, WV 25003
Phone: (304) 756.3600 Facsimile: (304) 756.2911

$9,100,000
CITY OF PRINCETON
SEWER REVENUE BOND, SERIES 2011
(WEST VIRGINIA SRF PROGRAM)

CERTIFICATE OF CITY CLERK AS TO TRUTH
AND ACCURACY OF DOCUMENTS DELIVERED

I, Kenneth Clay, the duly appointed City Clerk of the City of Princeton (the "City"), hereby certify that the copies of the following documents being delivered in connection with the closing of the sale of the $9,100,000 City of Princeton, Sewer Revenue Bond, Series 2011 (WV SRF Program) (the "Bond"), are, as of the date hereof, true and accurate copies of the originals of those documents maintained on file with the City and delivered in the transcript of proceedings, and that said documents are still in full force and effect as of the date hereof and have not been repealed, rescinded, superseded, amended or modified in any way unless the document effecting such repeal, rescission, supersedence, amendment or modification is also listed below:

1. Order Creating the City

2. Sanity Board Petition

3. Oaths of Office of the Mayor, City Clerk, Members of the City Council (the "Council") and Members of the Sanitary Board

4. Bond Ordinance and Supplemental Resolution

5. Minutes of January 11, 2011, January 18, 2011, February 1, 2011 and February 14, 2011 meetings of the Council wherein the Ordinance and Supplemental Resolution were considered and approved.

6. Affidavit of Publication of the abstract and notice of public hearing on the Bond Ordinance published in *Princeton Times* and *Bluefield Daily Telegraph.*

7. Tariff Issued May 29, 2008, Approving Rates

8. NPDES Permit

9. Evidence of Insurance

WITNESS my signature and the official seal of the City of Princeton as of the 3rd day of March, 2011.

Kenneth E. Clay
City Clerk

(SEAL)

$9,100,0000
CITY OF PRINCETON
SEWER REVENUE BOND, SERIES 2011
(WV SRF PROGRAM)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Mayor of the City of Princeton in Mercer County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of the Sewer Revenue Bond, Series 2011 (WV SRF Program), of the Issuer, dated March 3, 2011 (the "Bond"), hereby certifies as follows:

1. I am one of the officers of the Issuer duly charged with the responsibility of issuing the Bond. I am familiar with the facts, circumstances and estimates herein certified and am duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Ordinance duly enacted by the Issuer on February 1, 2011, and supplemented by a Supplemental Resolution adopted by the Issuer on February 14, 2011 (collectively, the "Bond Ordinance"), authorizing the Bond.

2. This certificate may be relied upon as the certificate of the Issuer.

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on March 3, 2011, the date on which the Bond is being physically delivered in exchange for a portion of the principal amount of the Bond, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

4. In the Bond Ordinance pursuant to which the Bond is issued, the Issuer has covenanted that it shall not take, or permit or suffer to be taken, any action with respect to Issuer's use of the proceeds of the Bond that would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (collectively, the "Code"), issued by the West Virginia Water Development Authority (the "Authority"), to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.

5. The Bond was sold on March 3, 2011, to the Authority, pursuant to a Bond Purchase Agreement dated March 3, 2011, by and among the Issuer, the Authority and West Virginia Department of Environmental Protection ("DEP"), for the aggregate purchase price of $9,100,000 (100% of par), at which time, the Issuer received $542,508.00 from DEP, being a portion of the principal amount of the Bond. No accrued interest has been or will be paid on the Bond. The balance of the principal amount of the Bond will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Bond is being delivered simultaneously with the delivery of this certificate and is issued for the purposes of (i) paying a portion of the costs of acquiring,

constructing and equipping certain improvements and extensions to the existing public sewer facilities of the Issuer (the "Project"); (ii) repaying the principal of and interest on the Issuer's Sewer Bond Anticipation Note, Series 2008; and (iii) paying certain costs of issuance of the Bond and related costs.

7. The Issuer shall, on the date hereof or immediately hereafter, enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bond for the acquisition, construction and equipping of the Project, constituting a substantial binding commitment, or has already done so. The acquisition, construction and equipping of the Project and the allocation of the net sale proceeds of the Bond to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and all of the proceeds from the sale of the Bond, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before June 15, 2013. The acquisition, construction and equipping of the Project is expected to be completed by March 13, 2013.

8. The total cost of the Project is estimated at $9,100,000. Sources and uses of funds for the Project are as follows:

SOURCES	
Series 2011 Bond Proceeds	$9,100,000.00
US EDA Grant	2,500,000.00
Total Sources	$11,600,000.00
USES	
Project Costs	$11,112,356.00
Repayment of Series 2008 Note	468,694.00
Cost of Issuance	18,950.00
Total Uses	$11,600,000.00

9. Pursuant to Article V of the Bond Ordinance, the following special funds have been created or continued with respect to the Bond:

(1) Revenue Fund;
(2) Renewal and Replacement Fund;
(3) Series 2011 Bond Sinking Fund;
(4) Series 2011 Bond Reserve Account; and
(5) Series 2011 Construction Trust Fund.

10. Pursuant to Article VI of the Bond Ordinance, after the deposit with the Commission of the amount necessary to pay the principal and interest on the Issuer's Sewer Bond Anticipation Note, Series 2008, all of the proceeds of the Bond will be deposited in the Series 2011 Construction Trust Fund and applied solely to payment of costs of the Project, costs of issuance of the Bond and related costs, and for no other purpose.

11. Moneys held in the Series 2011 Bond Sinking Fund will be used solely to pay principal of and interest, if any, on the Bond and will not be available to meet costs of acquisition, construction and equipping of the Project.

12. The acquisition, construction and equipping of the Project will proceed with due diligence to completion. The acquisition, construction and equipping of the Project is expected to be completed within 24 months of the date hereof. All proceeds of the Bond will be expended on the Project within 36 months from the date hereof

13. The Issuer will take such steps as requested by the Authority to ensure that the Authority's bonds meet the requirements of the Code.

14. The Issuer does not expect to sell or otherwise dispose of the Project in whole or in part prior to the last maturity date of the Bond.

15. The amount designated as costs of issuance of the Bond consists only of costs that are directly related to and necessary for the issuance of the Bond.

16. All property financed with the proceeds of the Bond will be owned and held by (or on behalf of) a qualified governmental unit.

17. No proceeds of the Bond will be used, directly or indirectly, in any trade or business carried on by any person who is not a governmental unit.

18. The original proceeds of the Bond will not exceed the amount necessary for the purposes of the issue. The Issuer covenants that it shall maintain thorough and accurate accounting records, in conformance with generally accepted accounting principles, relative to the proceeds of the Bond so that use of proceeds from the Bond can be accounted for.

19. The Issuer shall use the Bond proceeds solely for the costs of the Project, and the Project will be operated solely for a public purpose as a local governmental activity of the Issuer.

20. The Bond is not federally guaranteed.

21. The Issuer has retained the right to amend the Bond Ordinance authorizing the issuance of the Bond if such amendment is necessary to assure that the Bond remains a governmental or public purpose bond.

22. The Issuer has either (a) funded the Series 2011 Bond Reserve Account at the maximum amount of principal which will mature and become due on the Bond in the then current or any succeeding year with the proceeds of the Bond, or (b) created the Series 2011 Bond Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until the Series 2011 Bond Reserve Account holds an amount equal to the maximum amount of principal which will mature and become due on the Bond in the then current or any succeeding year. Moneys in the Series 2011 Bond Reserve Account and the Series 2011 Bond Sinking Fund will be used solely to pay principal of the Bond and will not be available to pay costs of the Project.

23. There are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Bond, (b) are to be sold pursuant to a common plan of financing together with the Bond, and (c) will be paid out of substantially the same sources of funds of funds or will have substantially the same claim to be paid out of substantially the same sources of funds as the Bond.

24. To the best of my knowledge, information and belief, there are no other facts, estimates and circumstances that would materially change the expectations herein expressed.

25. The Issuer will comply with instructions as may be provided by the Authority, at any time, regarding use and investment of proceeds of the Bond, rebates and rebate calculations.

26. To the best of my knowledge, information and belief, the foregoing expectations are reasonable.

WITNESS my signature as of this 3rd day of March, 2011.

CITY OF PRINCETON

By: _____
Mayor

CERTIFICATION

I, Kenneth Clay, City Clerk of the City of Princeton, hereby certify that the foregoing is a true and correct copy of the Charter of the City of Princeton approved by the voters on June 2, 1953, including any amendments thereto. I further certify that such Charter remains in full force and effect and has not been amended further or repealed.

Witness my signature on this 3rd day of March, 2011.

Kenneth E. Clay
City Clerk

CHARTER
OF THE CITY
OF PRINCETON,
WEST VIRGINIA

EDITOR'S NOTE: The Princeton Charter was approved by voters on June 2, 1953. As of the date of this codification, there have been no amendments to the Charter.

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CHARTER
OF THE
CITY OF PRINCETON,
WEST VIRGINIA

ARTICLE I
INCORPORATION; FORM OF GOVERNMENT; POWERS

SEC. 1. INCORPORATION.

The inhabitants of the City of Princeton, Mercer County, West Virginia, within the corporate limits as now established or as hereafter established in the manner provided by law, shall continue to be a municipal body politic and corporate in perpetuity, under the name of the "City of Princeton."

SEC. 2. FORM OF GOVERNMENT.

The municipal government provided by this Charter shall be known as the "Council-Manager government." Pursuant to its provisions and subject only to the limitations imposed by the State Constitution, the general laws of the State, and by this Charter, all powers of the City shall be vested in an elective Council, hereinafter referred to as "the Council," which shall enact local legislation, adopt budgets, determine policies, and appoint the City Manager, who shall execute the laws and administer the government of the City. All powers of the City shall be exercised in the manner prescribed by this Charter, or if the manner be not prescribed, then in such manner as may be prescribed by ordinance.

SEC. 3. POWERS OF THE CITY.

The City shall have all the powers granted to municipal corporations and cities of its class by the Constitution and general laws of the State, together with all the implied powers necessary to carry into execution all the powers granted. Except as prohibited by the Constitution of this State or restricted by this Charter, the City shall and may exercise all municipal powers, functions, rights, privileges and immunities of every name and nature whatsoever. The enumeration of particular powers by this Charter shall not be deemed to be exclusive, and in addition to the powers enumerated therein or implied thereby, or appropriate to the exercise of such powers, it is intended that the City shall have and may exercise all powers which, under the Constitution and general laws of this State, it would be competent for this Charter specifically to enumerate.

ARTICLE II
THE COUNCIL

SEC. 4. NUMBER, ELECTION AND TERM.

The Council shall have seven members with one elected from each ward and three elected at large as provided in Article VII, by the qualified voters of the City for terms of four years.

SEC. 5. QUALIFICATIONS.

Councilmen shall be qualified electors of the City who have been residents of the City for at least one year prior to taking office and shall hold no other elective office. If a councilman shall cease to possess any of these qualifications or shall be convicted of a crime involving moral turpitude, his office shall immediately become vacant.

SEC. 6. SALARY OF COUNCILMEN AND MAYOR.

Each councilman shall be paid the sum of ten dollars ($10.00) for each Council meeting attended by him, except that his total compensation shall not exceed the sum of two hundred forty dollars for any one year. The Mayor shall receive an additional salary of one hundred dollars ($100.00) while serving in that capacity.

SEC. 7. PRESIDING OFFICER; MAYOR.

The Council, at the first regular meeting held in July of each year, shall elect one of its members to serve as Mayor for a term of one year. The Mayor shall preside at meetings of the Council and shall be recognized as head of the City government for all ceremonial and military purposes, but shall have no regular administrative duties.

SEC. 8. POWERS.

All powers of the City, the determination of all matters of policy and authority to pass all laws and ordinances relating to its municipal affairs shall be vested in the Council.

SEC. 9. APPOINTMENT OF CITY MANAGER.

The Council shall appoint a City Manager who shall have the powers and perform the duties provided in this Charter. No councilman shall receive such appointment during the term for which he shall have been elected, nor within one year after the expiration of his term, nor shall a member of the Council be employed in any other capacity by the City during his tenure as councilman.

SEC. 10. REMOVAL OF CITY MANAGER.

The Council shall appoint the City Manager for an indefinite term and may remove him by a majority vote of its members. At least thirty days before such removal shall become effective, the Council shall, by a majority vote of its members, adopt a preliminary resolution providing for such removal. The Manager may request a hearing which, in the discretion of the Council, may be held prior to the effective date of such removal. By the preliminary resolution the Council may suspend the Manager from duty, but shall in any case, cause to be paid him forthwith any unpaid balance of his salary for the next two calendar months following adoption of the preliminary resolution.

SEC. 11. COUNCIL AND COUNCILMEN NOT TO INTERFERE IN APPOINTMENTS OR REMOVALS.

Neither the Council nor any of its members shall direct or request the appointment of any person to, or his removal from, office by the City Manager or by any of his subordinates, or in any manner take part in the appointment or removal of officers in the administrative service of the City, except that members of the Council may recommend to the City Manager for his consideration, qualified persons for positions in the administrative branch of the City government. Except for the purposes of inquiry, the Council and its members shall deal with the administrative services solely through the City Manager and neither Council nor any member thereof shall give orders to any subordinate of the City Manager, either publicly or privately. Any councilman violating the provisions of this section shall be guilty of a misdemeanor and upon conviction thereof shall cease to be a councilman.

SEC. 12. VACANCIES.

If a vacancy occurs in the office of ward councilman, the Council shall, by a majority vote of the remaining members, appoint a qualified person living in the ward where the vacancy occurs, to fill the vacancy until the next regular election, at which time a councilman to fill the unexpired term shall be elected. Vacancy in the office of councilman at large shall be filled by appointing any qualified person to fill the vacancy until the next regular election, at which time a councilman at large to fill the unexpired term shall be elected.

SEC. 13. CREATION, MODIFICATION AND ABOLITION OF DEPARTMENTS AND OFFICES.

The Council by ordinance may create, change, and abolish offices, departments or agencies, other than the offices, departments and agencies established by this Charter. The Council by ordinance may assign additional functions or duties to offices, departments or agencies established by this Charter, but may discontinue or assign to any other office, department or agency any function or duty assigned by this Charter to a particular office, department or agency.

SEC. 14. CITY CLERK.

The Council shall appoint a qualified voter of the City, who shall have the title of City Clerk. The Clerk shall give notice of meetings of the Council, shall keep the journal of its proceedings, shall authenticate by his signature and record in full in a book for the purpose all ordinances and resolutions and shall perform such duties as shall be required by this Charter or by ordinance.

SEC. 15. CITY ATTORNEY.

The Council shall appoint a City Attorney. He shall be a duly licensed attorney at law, whose further qualifications shall be prescribed by the Council.

SEC. 16. MEETINGS OF COUNCIL.
The term of office of newly elected councilmen shall commence on the first day of July next following their election. The Council shall meet regularly at such times as may be prescribed by its rules, but not less frequently than once each month. All meetings of the Council shall be open to the public.

SEC. 17. COUNCIL TO BE JUDGE OF QUALIFICATIONS OF MEMBERS.
The Council shall be the judge of the election and qualifications of its members and for such purposes shall have power to subpoena witnesses and require the production of records.

SEC. 18. RULES OF PROCEDURE; JOURNAL.
The Council shall determine its own rules and order of business. It shall keep a journal of its proceedings and the journal shall be open to public inspection.

SEC. 19. ANNUAL AUDIT.
In addition to the annual audit conducted by the State Tax Commissioner, the Council may employ qualified public accountants to make an independent audit of accounts and other evidences of financial transactions of the City government.

SEC. 20. MERIT SYSTEM.
The Council by ordinance may provide for a merit system for all or any class of City employees in addition to those classes for which a merit system is made mandatory by general law.

ARTICLE III
THE CITY MANAGER AND ADMINISTRATIVE DEPARTMENTS

SEC. 21. CITY MANAGER; QUALIFICATIONS.
The City Manager shall be chosen by the Council solely on the basis of his executive and administrative qualifications, with special reference to his actual experience in, or his knowledge of, accepted practice in respect to the duties of his office as hereinafter set forth. He shall be a full time official of the City with no outside business activity. At the time of his appointment, he need not be a resident of the City or State, but during his tenure of office he shall reside within the City.

SEC. 22. POWERS AND DUTIES.
The City Manager shall be the chief executive officer and head of the administrative branch of the City government. He shall be responsible to the Council for the proper administration of all affairs of the City and to that end, he shall have power and shall be required to:

(1) Appoint and, when deemed necessary or advisable, remove all officers and employees of the City except as otherwise provided by this Charter and except as he may authorize the head of a department or office to appoint and remove subordinates in such department or office;

(2) Prepare the budget annually and submit it to the Council and be responsible for its administration after adoption;

(3) Prepare and submit to the Council as of the end of the fiscal year a complete report on the finances and administrative activities of the City for the preceding year;

(4) Keep the Council advised of the financial condition and future needs of the City and make such recommendations as may seem to him desirable;

(5) Perform such other duties as may be prescribed by this Charter or required of him by the Council, not inconsistent with this Charter.

SEC. 23. ACTING CITY MANAGER.

The Manager may designate by letter filed with the City Clerk a qualified administrative officer of the City to perform his duties during his temporary absence or disability. In the event of failure of the Manager to make such designation, or in the event the Manager is suspended by preliminary resolution, the Council may, by resolution, appoint an officer of the City to perform the duties of the Manager during his absence, disability or suspension.

SEC. 24. ADMINISTRATIVE DEPARTMENTS.

There shall be a Department of Finance, a Police Department, Fire Department, and such other administrative departments as may be established by ordinance upon the recommendation of the Manager.

SEC. 25. DIRECTORS OF DEPARTMENTS.

At the head of each department there shall be a director, who shall be an officer of the City and shall have supervision and control of the department subject to the direction of the City Manager.

Two or more departments may be headed by the same individual, the Manager may head one or more departments, and directors of departments may also serve as chiefs of divisions.

SEC. 26. DEPARTMENTAL DIVISIONS.

The work of each department may be distributed among such divisions thereof as may be established by ordinance upon the recommendation of the Manager. Pending the passage of an ordinance or ordinances distributing the work of departments under the supervision and control of the Manager among specific divisions thereof, the Manager may establish temporary divisions.

ARTICLE IV
BUDGET

SEC. 27. FISCAL YEAR.

The fiscal year of the City government shall begin on the first day of July and shall end of the last day of June of each calendar year. Such fiscal year shall also constitute the budget and accounting year. As used in this Charter the term "budget year" shall mean the fiscal year for which any particular budget is adopted and in which it is administered.

SEC. 28. PREPARATION AND SUBMISSION OF BUDGET.

The City Manager, at least thirty days prior to the beginning of each budget year, shall submit to the Council a budget and an explanatory budget message. For such purpose, at such date as he shall determine, he, or an officer designated by him, shall obtain from the head of each office, department or agency, detailed by organization units the character and object of expenditure, and such other supporting data as he may request; together with an estimate of all capital projects pending or which such department head believes should be undertaken (a) within the budget year, and (b) within the five next succeeding years. In preparing the budget, the City Manager shall review the estimates, may hold hearings thereon and may revise the estimates as he may deem advisable.

SEC. 29. BUDGET A PUBLIC RECORD.

The budget and budget message and all supporting schedules shall be a public record in the office of the City Clerk, and there be available for any interested person.

SEC. 30. VOTE REQUIRED FOR ADOPTION.

The budget shall be adopted by the favorable votes of at least a majority of all the members of the Council.

ARTICLE V
DEPARTMENT OF FINANCE

SEC. 31. DIRECTOR OF FINANCE; APPOINTMENT.

There shall be a Department of Finance, the Director of which shall be the City Manager, or a person appointed by him.

SEC. 32. DIRECTOR OF FINANCE; QUALIFICATIONS.

The Director of Finance shall have knowledge of municipal accounting and taxation and shall have had experience in budgeting and financial control.

SEC. 33. DIRECTOR OF FINANCE; SALARY.

The annual salary of the Director of Finance shall be determined by the Council.

SEC. 34. DIRECTOR OF FINANCE; POWERS AND DUTIES.

The Director of Finance shall have charge of the administration of the financial affairs of the City and to that end shall have authority and shall be required to:

(1) Compile the current expense estimates.

(2) Compile the capital estimates for the budget.

(3) Supervise and be responsible for the disbursement of all moneys and have control over all expenditures to insure that budget appropriations are not exceeded.

(4) Maintain a general accounting system for the City government and each of its offices, departments, and agencies; keep books for and exercise financial budgetary control over each office, department and agency; keep separate accounts for items of appropriation contained in the City budget, each of which accounts shall show the amount of the appropriation, the amounts paid therefrom, the unpaid obligations against it and the unencumbered balance; require reports of receipts and disbursements from each receiving and spending agency of the City to be made daily or at such intervals as he may deem expedient;

(5) Submit to the Council through the City Manager a monthly statement of all receipts and disbursements in sufficient detail to show the exact financial condition of the City;

(6) Prepare, as of the end of each fiscal year, a complete financial statement and report;

(7) Collect all taxes, fees and service charges, except those collectable by the County Treasurer, special assessments, license fees, and all other revenues of the City, and receive all money receivable by the City from other levels of government, or from any court, or from any office, department or agency of the City;

(8) Have custody of all public funds belonging to or under control of the City, or any office, department or agency of the City government, and deposit all funds coming into his hands in such depositories as may be designated by resolution of the Council, or, if no such resolution be adopted, by the City Manager, subject to the requirements by law as to surety and the payment of interest on deposits, but all such interest shall be the property of the City and shall be accounted for and credited to the proper account;

(9) Supervise and be responsible for the purchase, storage and distribution of all supplies, materials, equipment and any other articles used by any office, department or agency of the City government.

(10) Approve all proposed expenditures; unless he shall certify that there is an unencumbered balance of appropriations and available funds, no appropriation shall be encumbered and no expenditure made.

SEC. 35. TRANSFER OF APPROPRIATIONS.

The City Manager may at any time transfer any unencumbered appropriation balance or portion thereof to the general classification of expenditures within an office, department or agency. At the request of the City Manager and within the last three months of the budget year, the Council may by resolution transfer any unencumbered appropriation balance or portion thereof from one office, department or agency to another.

SEC. 36. ACCOUNTING SUPERVISION AND CONTROL.

The Director of Finance shall have powers and shall be required to:

(1) Prescribe the forms of receipts, requisitions, vouchers, bills or claims to be used by all the offices, departments and agencies of the City government;

(2) Examine and, with the advice of the City Attorney, approve all contracts, orders and other documents by which the City government incurs financial obligations, having previously ascertained that moneys have been appropriated and allotted and will be available when the obligations shall become due and payable;

(3) Audit and approve before payment all bills, invoices, payrolls and other evidences of claims, demands or charges against the City government and with the advice of the City Attorney determine the regularity, legality and correctness of such claims, demands and charges;

(4) Inspect and audit any accounts or records of financial transactions which may be maintained in any office, department or agency of the City government apart from or subsidiary to the accounts kept in his office.

SEC. 37. WHEN EXPENDITURES AND CONTRACTS PROHIBITED.

No officer, department, or agency shall, during any budget year, expend or contract to expend any money or incur any liability, or enter into any contract which by its terms involves the expenditure of money, for any purpose, in excess of the amounts appropriated for that general classification of expenditure pursuant to this Charter. Any contract, verbal or written, made in violation of this Charter shall be null and void. Any officer or employee of the City who shall violate this section shall be guilty of a misdemeanor and, upon conviction thereof, shall cease to hold his office or employment. Nothing in this section contained, however, shall prevent the making of contracts or the spending of money for capital improvements to be financed in whole or in part by the issuance of bonds, nor the making of contracts of lease or for services for a period exceeding the budget year in which such contract is made, when such contract is permitted by law.

SEC. 38. APPROPRIATIONS LAPSE AT END OF YEAR.

All appropriations shall lapse at the end of the budget year to the extent that they shall not have been expended or lawfully encumbered.

SEC. 39. FEES TO BE PAID TO DEPARTMENT OF FINANCE DAILY.

All fees received by any officer or employee belong to the City government and shall be paid daily to the Department of Finance.

SEC. 40. COMPETITIVE BIDDING.

Before the Director of Finance makes any purchase of or contract for supplies, materials or equipment, he shall give ample opportunity for competitive bidding, under such rules and regulations, and with such exceptions as the Council may prescribe by ordinance; provided, however, that the Council shall not except individual contracts, purchases or sales from the requirement of competitive bidding.

SEC. 41. CONTRACTS FOR CITY IMPROVEMENTS.

Any City improvement costing more than one thousand dollars ($1,000) shall be executed by contract except where such improvement is authorized by the Council to be executed directly by a City department in conformity with detailed plans, specifications and estimates. All such contracts for more than one thousand dollars ($1,000) shall be awarded to the lowest responsible bidder after such public notice and competition as may be prescribed by ordinance, provided the City Manager shall have the power to reject all bids and advertise again. Alterations in any contract may be made when authorized by the Council upon the written recommendation of the City Manager.

ARTICLE VI
POLICE COURT

SEC. 42. JURISDICTION AND POWERS.

The Council shall establish a Police Court which shall have such jurisdiction and powers as the Council by ordinance shall prescribe.

SEC. 43. QUALIFICATIONS, APPOINTMENT, TERM AND SALARY OF JUDGE.

The Council shall appoint a qualified voter of the City who shall have the title of Police Judge. The Police Judge shall serve at the will and pleasure of the Council, and he shall receive an annual salary as determined by the Council.

SEC. 44. TEMPORARY JUDGE.

In the event of and during the temporary absence or disability of the Police Judge, the Council shall appoint a qualified voter to preside over said court, and perform the duties of the judge thereof. The compensation of the temporary judge shall be determined by the Council.

ARTICLE VII
NOMINATIONS AND ELECTIONS.

SEC. 45. MUNICIPAL ELECTIONS.

The regular election of members of the Council shall be held on the first Tuesday in June in odd-numbered years, ward councilmen and councilmen at large to be elected for terms of four years each at alternate elections except at the first election held under this Charter as provided under Article IX. Special elections shall be held at such times as may be fixed by the Council.

SEC. 46. WARDS.

The City shall be divided into four wards, by leaving Ward No. 1 substantially as it presently exists, dividing Ward No. 2 into two wards to be designated Nos. 2 and 3 and designating the present Ward No. 3 substantially as it exists as Ward No. 4, the boundaries of which shall be determined by the Council; provided, however, that the wards shall be as nearly equal as may be in area and population, and each ward shall be composed of contiguous territory.

SEC. 47. NOMINATION.

Any qualified elector of the City who has been a resident of the City for at least one year prior to the beginning of the term of office which he seeks may be nominated for the Council by petition. The term "qualified elector" as used in this Charter shall mean a citizen having the qualifications required by law to vote, and who has been a resident of the City for at least six months next preceding the election at which he desires to vote. A petition for this purpose shall be signed by not fewer than twenty-five qualified electors who shall be residents of the ward from which they seek to nominate a candidate, and for nomination of a candidate at large by fifty qualified electors of the City. No elector shall sign more than one petition for persons nominated by wards, and not more than one petition for a person to be nominated at large, and should an elector do so, his signature shall be void except as to the petition first filed. The signatures on the nominating petition need not all be subscribed to one paper, but to each separate paper there shall be attached a signed statement of the circulator thereof, stating the number of signers of such paper and that each signature appended thereto was made in his presence and is the genuine signature or mark of the person whose name it purports to be. With each signature, including the signature of the circulator, shall be stated, the place of residence of the signer, giving the street and number or other description sufficient to identify it. The form of the nominating petition shall be substantially as follows:

"We, the undersigned electors of the (_____ ward in the)* City of Princeton hereby nominate _____ whose residence is _____ for the office of councilman (at large) (from the _____ ward,)** to be voted for at the election to be held on the _____ day of _____, 19____ and we individually certify that we are qualified to vote for a candidate for the Council and that we have not signed any other nominating petition for that office.

"

Name	Street and Number	Address from which last registered (if different)	Date of signing

"(Spaces for signature and required data)

" * Where appropriate
"** Cross out one

"Statement of Circulator

"The undersigned is the circulator of the foregoing paper containing _____ signatures. Each signature appended thereto was made in my presence and is the genuine signature of the person whose name it purports to be.

"Signature of Circulator _____

"Address _____"

Any signature made earlier than the first day of March next preceding the election shall be void. All nominating papers comprising a petition shall be filed as one instrument with the City Clerk, not later than the first day of May before the election. The City Clerk shall make a record of the exact time at which each petition is filed and shall take and preserve the name and address of the person by whom it is filed. No nominating petition shall be accepted unless accompanied by a signed acceptance of the nomination in substantially the following form:

"Acceptance of Nomination

"I hereby accept the nomination for the Council and agree to serve if elected.

"Signature of Candidate _____"

All petitions so filed shall be submitted by the Clerk to the Council for its determination as to their sufficiency. If a petition is found insufficient, the Clerk shall return it immediately to the person who filed it with a statement wherein the petition is found insufficient. Within the regular time for filing petitions such a petition may be amended and filed again as a new petition (in which case the time of the first filing shall be disregarded in determining the validity of signatures thereon) or a different petition may be filed for the same candidate.

SEC. 48. COUNCIL BALLOTS.

The full names of all candidates nominated for the Council as hereinbefore provided, except such as may have withdrawn, died or become ineligible, shall be printed on the official ballots without party designations. If two candidates with the same surname, or with names so similar as to cause confusion, are nominated, the addresses of their places of residence shall be placed with their names on the ballots.

In the printing of the ballots the names of candidates shall be arranged so that each appears first on an equal number of ballots. The ballot shall bear instructions as to the number of candidates for whom the voter is entitled to vote.

Unless voting machines are used, councilmen shall be voted for on ballots separate and distinct from ballots used for any other office or question.

SEC. 49. CONDUCT OF ELECTIONS.

Except as otherwise provided by this Charter, City elections shall be conducted and the results determined and certified in accordance with the provisions of general law governing elections, so far as they are applicable. The Council shall appoint three commissioners and two clerks to serve as election officials in each precinct in the City. At least three days before the date of the election the City Clerk shall procure from the Clerk of the County Court the necessary registration records and shall procure other election supplies and shall deliver them on the day preceding the election to the election officials. The election officials shall as soon as possible after the closing of the polls on election day return to the City Clerk the ballots, tally sheets, certificates of the results of the election, registration records, ballot boxes and all other election supplies.

The Council may prescribe other rules for the conduct of elections not inconsistent with general law or the provisions of this Charter.

SEC. 50. CANVASS.

On the first Monday following the election the Council shall canvass the returns of the election and declare the result. The candidate in each ward who receives the greatest number of votes and the three candidates at large receiving the greatest number of votes shall be elected. In the event that two or more candidates receive an equal number of votes for the same office, if such number be the highest cast for such office, in the case of councilmen elected by wards or the third highest in the case of councilmen elected at large, the Council shall decide by lot which of the candidates shall be declared elected.

ARTICLE VIII
GENERAL PROVISIONS

SEC. 51. REMOVAL OF OFFICERS AND EMPLOYEES.

Any officer or employee to whom the City Manager, or head of any office, department or agency, may appoint a successor, may be removed by the Manager or other appointing officer at any time. Except as otherwise provided by general law, the decision of the Manager, or other appointing officer, shall be final and there shall be no appeal to any other office, body, or court whatsoever.

SEC. 52. CITY MANAGER, DEPARTMENT HEADS AND CERTAIN OTHER OFFICERS TO HAVE SEATS IN COUNCIL.

The City Manager, the heads of all departments, and such other officers of the City as may be designated by vote of the Council, shall be entitled to seats in the Council, but shall have no vote therein. The City Manager shall have the right to take part in the discussion of all matters coming before the Council, and the directors and other officers shall be entitled to take part in all discussions of the Council relating to their respective offices, departments or agencies.

SEC. 53. INVESTIGATIONS BY COUNCIL AND CITY MANAGER.

The Council, the City Manager, or any person or committee authorized by either of them, shall have power to inquire into the conduct of any office, department, agency or officer of the City and to make investigations as to municipal affairs, and for that purpose may subpoena witnesses, administer oaths, and compel the production of books, papers and other evidence relating to municipal affairs. Failure to obey such subpoena or to produce books, papers or other evidence as ordered under the provisions of this section shall constitute a misdemeanor and shall be punishable by a fine not to exceed one hundred dollars ($100.00) or by imprisonment not to exceed thirty days, or both.

SEC. 54. CITY RECORDS SUBJECT TO PUBLIC INSPECTION.

All records and accounts of every office, department or agency of the City shall be open to public inspection at all reasonable times and under reasonable regulations established by the City Manager, except records and documents the disclosure of which would tend to defeat the lawful purpose which they are intended to accomplish, as determined by the City Council.

SEC. 55. CONFLICTS OF INTEREST.

No member of the Council or any officer or employee of the City shall have a financial interest, direct or indirect, or by reason of ownership of stock in any corporation, in any contract or in the sale to the City or to a contractor supplying the City of any material, supplies or services. Any willful violation of this section shall constitute malfeasance in office, and any officer or employee of the City found guilty thereof shall thereby forfeit his office or position. Any violation of this section with the knowledge express or implied of the person or corporation contracting with the City shall render the contract voidable by the City Manager or by the Council.

SEC. 56. OFFICIAL BONDS.

All officers or employees as the Council may by ordinance require to do so, shall give bond in such amount and with such surety as may be approved by the Council. The premiums of such bonds shall be paid by the City.

SEC. 57. OATH OF OFFICE.

Each officer of the City shall, before entering upon the duties of his office, take and subscribe to the following oath or affirmation, to be filed and kept in the office of the City Clerk:

"I solemnly swear (or affirm) that I will support the Constitution and will obey the laws of the United States and of the State of West Virginia, that I will, in all respects, observe the provisions of the Charter and ordinances of the City of Princeton, and will faithfully discharge the duties of the office of _____ to the best of my skill and judgment."

SEC. 58. EFFECT OF CHARTER ON EXISTING LAWS.

(a) All laws and parts of laws relating to or affecting the City of Princeton in force when this Charter shall take effect are hereby repealed and superseded to the extent that the same are inconsistent with the provisions of this Charter;

(b) Insofar as the provisions of this Charter are the same in terms or in substance and effect as provisions of law in force when this Charter shall take effect, relating to or affecting the City of Princeton, the provisions of this Charter are intended to be not a new enactment but a continuation of such provisions of law, and this Charter shall be so construed and applied.

SEC. 59. AMENDING THE CHARTER.

Amendments to this Charter shall be made in accordance with the general laws of the State.

SEC. 60. SEPARABILITY CLAUSE.

If any section or part of this Charter shall be held invalid by a court of competent jurisdiction, such holding shall not affect the remainder of this Charter nor the context in which such section or part of section so held invalid may appear, except to the extent that an entire section or part of section may be inseparably connected in meaning and effect with the section or part of section to which such holding shall directly apply.

ARTICLE IX
SUCCESSION IN GOVERNMENT

SEC. 61. RIGHTS OF OFFICERS AND EMPLOYEES.

Nothing in this Charter contained, except as specifically provided, shall affect or impair the rights or privileges of officers or employees of the City or of any office, department or agency existing at the time when this Charter shall take effect, or any provision of law in force at the time when this Charter shall take effect and not inconsistent with the provisions of this Charter, in relation to the personnel, appointment, ranks, grades, tenure of office, promotion, removal, pension and retirement rights, civil rights or any other rights or privileges of officers or employees of the City or any office, department or agency thereof.

SEC. 62. CONTINUANCE OF ADMINISTRATIVE PERSONNEL.

All persons holding administrative office at the time this Charter takes effect shall continue in office and in the performance of their duties until provision shall have been made in accordance therewith for the performance of such duties or the discontinuance of such duties or the discontinuance of such office. The powers conferred and the duties imposed upon any office, department or agency of the City by the laws of the State shall, if such office, department or agency, be abolished by this Charter, or under its authority, be thereafter exercised by the office, department or agency designated by the Council unless otherwise provided herein.

SEC. 63. TRANSFER OF RECORDS AND PROPERTY.

All records, property and equipment whatsoever of any office, department or agency or part thereof, all the powers and duties of which are assigned to any other office, department or agency by this Charter, shall be transferred and delivered to the office, department or agency to which such powers and duties are assigned. If part of the powers and duties of any office, department or agency or part thereof are by this Charter assigned to another office, department or agency, all records, property and equipment relating exclusively thereto shall be transferred and delivered to the office, department or agency to which such powers and duties are so assigned.

SEC. 64. CONTINUITY OF OFFICES, AGENCIES.

Any office, department or agency provided for in this Charter with a name or with powers and duties the same or substantially the same as those of an office, department or agency heretofore existing shall be deemed to be a continuation of such office, department or agency and shall exercise its powers and duties in continuation of their exercise by the office, department or agency by which the same were heretofore exercised and shall have power to continue any business, proceedings or other matter within the scope of its regular powers and duties commenced by an office, department or agency by which such powers and duties were heretofore exercised. Any provision in any law, rule, regulation, contract, grant or other document relating to such formerly existing office, department or agency, shall, so far as not inconsistent with the provisions of this Charter, apply to such office, department or agency provided for by this Charter.

SEC. 65. CONTINUITY OF CONTRACTS AND PUBLIC IMPROVEMENT PROGRAMS.

All contracts entered into by the City, or for its benefit, prior to the taking effect of this Charter, shall continue in full force and effect. Public improvements for which legislative steps have been taken under laws or Charter provisions existing at the time this Charter takes effect may be carried to completion as nearly as practicable in accordance with the provisions of such existing laws and Charter provisions.

SEC. 66. PENDING ACTIONS AND PROCEEDINGS.

No action or proceeding, civil or criminal, pending at the time when this Charter shall take effect, brought by or against the City or any office, department or agency or officer thereof, shall be affected or abated by the adoption of this Charter or anything therein contained; but all such actions or proceedings may be continued notwithstanding that functions, powers and duties of any office, department or agency or officer party thereto, may by or under this Charter be assigned or transferred to another office, department or agency or officer, but in that event the same may be prosecuted or defended by the head of the office, department or agency to which such functions, powers and duties have been assigned or transferred by or under this Charter.

SEC. 67. EFFECTIVE DATE OF CHARTER.

Upon the adoption of this Charter, its provisions shall immediately be in force and the nominating and electing of members of the Council at the regular election to be held on the first Tuesday in June, 1955, shall be held in accordance herewith. The Council in office under the present Charter shall, prior to the first day of March, 1954, divide the City into wards as provided by this Charter. In the first election held under this Charter, three councilmen shall be elected at large for terms of four years and all vacancies existing in the office of ward councilmen shall be filled by electing a ward councilman from the appropriate ward for a term of two years to fill such vacancy. Prior to the regular election to be held on the first Tuesday in June, 1955, the electors in wards where a vacancy exists in the office of ward councilman may sign not more than two nominating petitions, one for a person to be nominated in the appropriate ward and one for a person to be elected at large. The Mayor and Council in office under the present Charter shall continue in office until the expiration of their terms of office.

CERTIFICATION

I, Kenneth Clay, City Clerk of the City of Princeton, hereby certify that the foregoing is a true and correct copy of a portion of the Administrative Code of Codified Ordinances of the City of Princeton on March 1, 1994, related to the adoption of ordinances and resolutions, including any amendments thereto. I further certify that such portion of the Administrative Code of the City of Princeton remains in full force and effect and has not been amended further or repealed.

Witness my signature on this 3rd day of March, 2011.

Kenneth E. Clay
City Clerk

ARTICLE 125
Ordinances and Resolutions

125.01 Publication.
125.02 Reading of ordinances.
125.03 Notice of revenue raising ordinances.
125.04 Amendments restricted.
125.05 Adoption by reference.
125.06 Emergency ordinances.
125.07 Attestation; record of ordinances.
125.08 Repeal; amendments; additions to Codified Ordinances.
125.09 Powers and duties of City Attorney as Code revisor.

CROSS REFERENCES

To make powers effective - see W. Va. Code 8-11-1
Delegating discretion - see W. Va. Code 8-11-2
Action required to be by ordinance - see W. Va. Code 8-11-3, 8-5-12
Procedures - see W. Va. Code 8-11-4
Penalty limitations - see W. Va. Code 8-12-5(57); 8-11-1

125.01 PUBLICATION.

It shall not be necessary, except where otherwise provided by State law or the Codified Ordinances, for City Council to publish in a newspaper any proposed ordinance prior to the adoption thereof, or any enacted ordinance subsequent to the adoption thereof, and any and all ordinances shall be adopted in accordance with the following requirements, except where different or additional requirements are specified in other provisions of State law or the Codified Ordinances, in which event such other different or additional requirements shall be applicable. (1975 Code Sec. 2-11)

125.02 READING OF ORDINANCES.

A proposed ordinance shall be read by title at not less than two meetings of City Council with at least one week intervening between each meeting, unless a member of Council demands that the ordinance be read in full at one or both meetings. If such demand is made, the ordinance shall be read in full as demanded. (1975 Code Sec. 2-11)

125.03 NOTICE OF REVENUE RAISING ORDINANCES.

At least five days before the meeting at which a proposed ordinance, the principal object of which is the raising of revenue for the City, is to be finally adopted, City Council shall cause notice of the proposed adoption of such proposed ordinance to be published as a Class I-O legal advertisement in compliance with the provisions of West Virginia Code Article 59-3, and the publication area for such publication shall be this City. The notice shall state the subject matter and general title or titles of such proposed ordinance, the date, time and place of the proposed final vote on adoption, and the place or places within the City where such proposed ordinance may be inspected by the public. A reasonable number of copies of the proposed ordinance shall be kept at such place or places and be made available for public inspection. This notice shall also advise that interested parties may appear at the meeting and be heard with respect to the proposed ordinance. (1975 Code Sec. 2-11)

125.04 AMENDMENTS RESTRICTED.

A proposed ordinance shall not be materially amended at the same meeting at which finally adopted. (1975 Code 2-11)

125.05 ADOPTION BY REFERENCE.

(a) City Council may adopt, by ordinance, building codes, housing codes, plumbing codes, sanitary codes, electrical codes, fire prevention codes, or any other technical codes dealing with general public health, safety or welfare, or a combination thereof, in the manner prescribed herein.

(b) Before any such ordinance shall be adopted, the code shall be either printed or typewritten and shall be presented in pamphlet form to City Council at a regular meeting, and copies of such code shall be made available for public inspection. The ordinance adopting such code shall not set out such code in full, but shall merely identify the same. The vote on adoption of such ordinance shall be the same as on any other ordinance.

(c) After adoption of the ordinance, such code or codes shall be certified by the Mayor and shall be filed as permanent records in the office of the City Clerk, who shall not be required to transcribe and record the same in the ordinance book as other ordinances are transcribed and recorded.

(d) Consistent with the provisions of Section 125.01, it shall not be necessary that any such ordinance, either as proposed or after adoption, be published in any newspaper, and it shall not be necessary that the code itself be so published, but before final adoption of any such proposed ordinance, notice of the proposed adoption of such ordinance and code shall be given by publication as herein provided for ordinances the principal object of which is the raising of revenue for the City. Such notice shall also state where, within the City, the code or codes will be available for public inspection. (1975 Code Sec. 2-11)

125.06 EMERGENCY ORDINANCES.

City Council may enact an ordinance without complying with the rules prescribed in Sections 125.01 to 125.06 only in the case of a pressing public emergency making procedure in accordance with the provisions of this section dangerous to the public health, safety or morals, and by the affirmative vote of two-thirds of the members elected to City Council, or when otherwise provided by State law. The nature of any such emergency shall be set out in full in the ordinance. (1975 Code Sec. 2-11)

125.07 ATTESTATION; RECORD OF ORDINANCES.

Each ordinance, upon its final passage, shall be signed by the presiding officer of City Council and attested by the City Clerk, who shall then number it consecutively and record it in the Record of Ordinances. (1975 Code Sec. 2-12)

125.08 REPEAL; AMENDMENTS; ADDITIONS TO CODIFIED ORDINANCES.

(a) Each bill which proposes an ordinance to repeal, amend or add to any portion of the Codified Ordinances, and each bill which proposes an ordinance of a general and permanent nature suitable for inclusion in the Codified Ordinances though constituting a new subject matter not therein contained, shall be drafted so as to specify the specific section numbers, subsections, etc., of the Codified Ordinances which are to be repealed or amended and, with respect to additions and to new subject matter, so as to provide appropriate chapter, article, section, etc., numbers therefor. Each amendment of, and addition to, the Codified Ordinances shall be set out in full and appropriate chapter and article headings and section catchlines shall be included.

(b) Upon the adoption of an ordinance to repeal, amend or add to any portion of the Codified Ordinances, or to include new subject matter in the Codified Ordinances, the City Clerk shall separate the several chapters, articles, sections, etc., of such ordinance and enter them in their proper places in each file copy of the Codified Ordinances and shall remove therefrom any portion so repealed or amended, and in the margin of each insertion in the file copies of the Codified Ordinances he shall note and initial the date of passage, effective date and number of the amending or repealing ordinance.

(c) Items removed from the file copies of the Codified Ordinances pursuant to subsection (b) hereof, shall be maintained by the City Clerk in a separate, loose-leaf volume, arranged properly according to their respective chapters, articles, sections, etc., and each item so removed from the file copies of the Codified Ordinances shall, in the margin of each such item, be noted and initialed by him to show the effective date and the number of both the enacting and repealing or amending ordinances. The volume in which such repealed and amended items are to be included shall be known as the "Record of Repealed and Amended Portions of the Code of the City of Princeton, West Virginia," the purpose of which is to enable City officers and other persons interested to ascertain the status of the Codified Ordinances at any given time in the past.

(d) The requirements of subsection (b) hereof are in addition to the requirement that each ordinance, upon adoption, shall be included in the Ordinance Book and in the journal of City Council. (1975 Code Sec. 2-13)

125.09 POWERS AND DUTIES OF CITY ATTORNEY AS CODE REVISOR.

(a) The City Attorney shall prepare or cause to be prepared supplements to, or otherwise revise, the Codified Ordinances, noting the sections that have been repealed, generally updating the Codified Ordinances, and including, in his discretion, updated annotations of court decisions or citations to other laws.

(b) The City Attorney may make and enter into all contracts and execute, acknowledge and deliver all instruments necessary or incidental to the performance of his duties under this section, subject to the availability of funds appropriated for such purposes.

(c) In performing his duties and powers as Code revisor, the City Attorney shall not alter the sense, meaning or effect of any act of City Council, but he may:

(1) Renumber and rearrange sections or parts of sections;
(2) Transfer sections or divide sections so as to give distinct subject matters a separate section number, but without changing the meaning;
(3) Insert or change the wording of headnotes and catchlines;
(4) Change reference numbers to agree with renumbered chapters or sections;
(5) Substitute the proper section or chapter number for the terms "this ordinance," "the preceding section," and the like;
(6) Strike out figures where they are merely a repetition of written words and vice versa;
(7) Change capitalization for the purpose of uniformity;
(8) Correct manifest typographical and grammatical errors;
(9) Make any other purely formal or clerical changes in keeping with the purposes of the revision.

(d) The City Attorney shall omit all titles of ordinances, all enacting, resolving and repealing clauses, all appropriation measures, all temporary ordinances, all declarations of emergency, and all validity, declaration of policy and construction clauses, except when the retention thereof is necessary or desirable to preserve the full meaning and intent of City Council. (1975 Code Sec. 2-14, 2-14.1)

CERTIFICATION

I, Kenneth Clay, City Clerk of the City of Princeton, hereby certify that the foregoing is a true and correct copy of a portion of the Administrative Code of Codified Ordinances of the City of Princeton on March 1, 1994, related to the adoption of ordinances and resolutions, including any amendments thereto. I further certify that such portion of the Administrative Code of the City of Princeton remains in full force and effect and has not been amended further or repealed.

Witness my signature on this 22nd day of July, 2008.

Kenneth E. Clay
City Clerk

City of Princeton

OATH

I, ***Dewey W. Russell,*** *do solemnly swear that I will support the Constitution and will obey the laws of the United States and the State of West Virginia, that I will, in all respects, observe the provisions of the Charter and Ordinances of the City of Princeton, and will faithfully discharge the duties of* ***Mayor*** *for the City of Princeton to the best of my skill and judgment.*

Dewey W. Russell
Signature

STATE OF WEST VIRGINIA
COUNTY OF MERCER
CITY OF PRINCETON, to-wit:

I, Kenneth E. Clay, City Clerk for the City of Princeton, West Virginia, do hereby certify that the above Oath was taken and subscribed before me this 1st day of July, 2009.

Given under my hand and Official Seal this the 1st day of July, 2009.

Kenneth E. Clay
City Clerk

{SEAL}

100 Courthouse Road ★ Princeton, West Virginia 24740-2431 ★ (304) 487-5020 ★ Fax (304) 487-5030

EQUAL HOUSING OPPORTUNITY

City of Princeton

OATH

I, ***James Norman****, solemnly swear that I will support the Constitution and will obey the laws of the United States and the State of West Virginia, that I will, in all respects, observe the provisions of the Charter and Ordinances of the City of Princeton, and will faithfully discharge the duties of* ***Council Member*** *for the City of Princeton to the best of my skill and judgment.*

Signature

STATE OF WEST VIRGINIA,
COUNTY OF MERCER
CITY OF PRINCETON, to-wit:

I, Kenneth E. Clay, City Clerk for the City of Princeton, West Virginia, do hereby certify that the above Oath was taken and subscribed before me this 13th day of September, 2010.

Given under my hand and Official Seal this the 13th day of September, 2010.

City Clerk

{SEAL}

100 Courthouse Road ★ Princeton, West Virginia 24740-2431 ★ (304) 487-5020 ★ Fax (304) 487-5030

EQUAL HOUSING OPPORTUNITY

City of Princeton

OATH

I, ***John E. Wilborn,*** *do solemnly swear that I will support the Constitution and will obey the laws of the United States and the State of West Virginia, that I will, in all respects, observe the provisions of the Charter and Ordinances of the City of Princeton, and will faithfully discharge the duties of* ***Council Member*** *for the City of Princeton to the best of my skill and judgment.*

John E. Wilborn
Signature

STATE OF WEST VIRGINIA
COUNTY OF MERCER
CITY OF PRINCETON, to-wit:

I, Kenneth E. Clay, City Clerk for the City of Princeton, West Virginia, do hereby certify that the above Oath was taken and subscribed before me this 1st day of July, 2009.

Given under my hand and Official Seal this the 1st day of July, 2009.

Kenneth E. Clay
City Clerk

{SEAL}

100 Courthouse Road ★ Princeton, West Virginia 24740-2431 ★ (304) 487-5020 ★ Fax (304) 487-5030

EQUAL HOUSING OPPORTUNITY

City of Princeton

OATH

I, ***Marshall V. Lytton,*** *do solemnly swear that I will support the Constitution and will obey the laws of the United States and the State of West Virginia, that I will, in all respects, observe the provisions of the Charter and Ordinances of the City of Princeton, and will faithfully discharge the duties of* ***Council Member*** *for the City of Princeton to the best of my skill and judgment.*

Marshall V. Lytton
Signature

STATE OF WEST VIRGINIA
COUNTY OF MERCER
CITY OF PRINCETON, to-wit:

I, Kenneth E. Clay, City Clerk for the City of Princeton, West Virginia, do hereby certify that the above Oath was taken and subscribed before me this 1st day of July, 2009.

Given under my hand and Official Seal this the 1st day of July, 2009.

Kenneth E. Clay
City Clerk

{SEAL}

City of Princeton

OATH

I, ***Christopher O. Stanley,*** *do solemnly swear that I will support the Constitution and will obey the laws of the United States and the State of West Virginia, that I will, in all respects, observe the provisions of the Charter and Ordinances of the City of Princeton, and will faithfully discharge the duties of* ***Council Member*** *for the City of Princeton to the best of my skill and judgment.*

Signature

STATE OF WEST VIRGINIA
COUNTY OF MERCER
CITY OF PRINCETON, to-wit:

I, Kenneth E. Clay, City Clerk for the City of Princeton, West Virginia, do hereby certify that the above Oath was taken and subscribed before me this 1st day of July, 2009.

Given under my hand and Official Seal this the 1st day of July, 2009.

City Clerk

{SEAL}

100 Courthouse Road ★ Princeton, West Virginia 24740-2431 ★ (304) 487-5020 ★ Fax (304) 487-5030

EQUAL HOUSING OPPORTUNITY

City of Princeton

OATH

I, ***Timothy C. Ealy,*** *do solemnly swear that I will support the Constitution and will obey the laws of the United States and the State of West Virginia, that I will, in all respects, observe the provisions of the Charter and Ordinances of the City of Princeton, and will faithfully discharge the duties of* ***Council Member*** *for the City of Princeton to the best of my skill and judgment.*

Signature

STATE OF WEST VIRGINIA
COUNTY OF MERCER
CITY OF PRINCETON, to-wit:

I, Kenneth E. Clay, City Clerk for the City of Princeton, West Virginia, do hereby certify that the above Oath was taken and subscribed before me this 1st day of July, 2009.

Given under my hand and Official Seal this the 1st day of July, 2009.

City Clerk

{SEAL}

100 Courthouse Road ★ Princeton, West Virginia 24740-2431 ★ (304) 487-5020 ★ Fax (304) 487-5030

EQUAL HOUSING OPPORTUNITY

CERTIFICATION

I, Kenneth Clay, City Clerk of the City of Princeton, hereby certify that the foregoing is a true and correct copy of a portion of the Charter of the City of Princeton related to the creation of the Sanitary Board, including any amendments thereto. I further certify that such portion of the Charter of the City of Princeton remains in full force and effect and has not been amended further or repealed.

Witness my signature on this 3rd day of March, 2011.

Kenneth E. Clay
City Clerk

ARTICLE 151
Sanitary Board

151.01 Creation; composition; qualifications; appointment; vacancies.
151.02 Officers.
151.03 Salaries; control over funds; bond of treasurer.
151.04 Bond account.
151.05 Sanitary Board revenue account.
151.06 Powers and duties.
151.07 Publication of financial statement.
151.08 Inspections.

CROSS REFERENCES
Composition of board - see W. Va. Code 16-13-18
Publication of financial statement - see W. Va. Code 16-13-18(a)

151.01 CREATION; COMPOSITION; QUALIFICATIONS; APPOINTMENT; VACANCIES.

(a) The Sanitary Board shall be composed of the Mayor or City Manager and two other persons appointed by City Council. The Mayor or City Manager shall be appointed to serve on the Sanitary Board by Council at the first meeting in July of each year or at such other times as Council deems advisable. No officer or employee of the City, other than the Mayor or City Manager, whether holding a paid or unpaid office shall be eligible to appointment on the Sanitary Board until at least one year after the expiration of the term of his public office.
(Passed 8-18-80.)

(b) The two appointees of City Council, as of the effective date of this Code, shall serve until the expiration of their respective terms of office and until their successors are duly appointed and qualified, and shall be eligible for reappointment. Their successors, respectively, shall be appointed to a term of three years thereafter. Vacancies shall be filled by Council for any unexpired term which may hereafter occur, in the same manner as the original appointment. No bond shall be required of the members of the Sanitary Board, except the treasurer thereof, as provided in Section 151.03.
(1975 Code Sec. 15-17)

151.02 OFFICERS.

The City Manager or Mayor shall act as chairman of the Sanitary Board, which shall elect a vice chairman from its members. The Sanitary Board shall also designate a secretary and a treasurer, but the secretary and the treasurer may be one and the same, either of whom may or may not be a member of the Sanitary Board. The vice-chairman, secretary and treasurer shall hold office as such during the will and pleasure of the Sanitary Board.
(Passed 8-18-80.)

(b) The Board may employ engineers, architects, inspectors, superintendents, a manager, collectors, attorneys and such other employees as in its judgment may be necessary in the execution of its powers and duties, and may fix their compensation, all of whom shall do such work as the Board shall direct. All such compensation and all expenses incurred in carrying out the provisions of West Virginia Code Article 16-13 shall be paid solely from funds provided under the authority of that article, and the Board shall not exercise or carry out any authority or power given it so as to bind the Board or the City beyond the extent to which money shall have been or may be provided under the authority of such article.

(c) No contract or agreement with any contractor for labor or material exceeding in amount the sum of one thousand dollars ($1,000) shall be made without advertising for bids, which bids shall be publicly opened and award made to the lowest qualified bidder, with power in the Board to reject any and all bids. The construction, acquisition, improvement, equipment, custody, operation and maintenance of any such works for the collection, treatment or disposal of sewage and the collection of revenues therefrom for the service rendered thereby shall be under the supervision and control of the Sanitary Board. After the construction, installation and completion of the works the Board shall operate, manage and control the same and may order and complete any extensions, betterments and improvements of and to the works that the Board may deem expedient if funds be available or made available as provided by law, and shall establish rules and regulations for the use and operation of the works and of other sewers and drains connected therewith so far as they may effect the operation of such works, and do all things necessary or expedient for the successful operation thereof. The Board shall have any and all other powers granted to it by West Virginia Code Article 16-13, subject to any and all restrictions and limitations therein contained.
(1975 Code Sec. 15-22)

151.07 PUBLICATION OF FINANCIAL STATEMENT.

The Sanitary Board shall prepare a financial statement and cause it to be published as a Class I legal advertisement in compliance with the provisions of West Virginia Code Article 59-3, and the publication area for such publication shall be the sanitary district. Such statement shall contain an itemized account of the receipts and expenditures of the Board during the previous fiscal year, showing the source from which all money was derived, and the name of the person to whom an order was issued, together with the amount of such order, and why such order was issued, arranging the same under distinct heads, and including all money received and expended from the sale of bonds, and also a specific statement of the debts of such Board, showing the purpose for which any debt was contracted, the amount of money in all funds at the end of the preceding year, and the amount of uncollected service charges. Such statement shall be prepared and published by the Board as soon as practicable after the close of the fiscal year. The statement shall be sworn to by the chairman and secretary and treasurer of the Board. If a Board fails or refuses to perform the duties hereinbefore named, every member of the Board concurring in such failure or refusal upon conviction thereof, shall be fined not more than five hundred dollars ($500.00) and the Police Court shall have jurisdiction to try such offense.
(1975 Code Sec. 15-23)

CERTIFICATION

I, Kenneth Clay, City Clerk of the City of Princeton, hereby certify that the foregoing is a true and correct copy of a portion of the Charter of the City of Princeton related to the creation of the Sanitary Board, including any amendments thereto. I further certify that such portion of the Charter of the City of Princeton remains in full force and effect and has not been amended further or repealed.

Witness my signature on this 22nd day of July, 2008.

Kenneth E. Clay
City Clerk

PETITION OF THE SANITARY BOARD
OF THE CITY OF PRINCETON,
WEST VIRGINIA

TO THE COUNCIL OF THE CITY OF PRINCETON, WEST VIRGINIA

Pursuant to the provisions of Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), the Sanitary Board (the "Sanitary Board") of the City of Princeton, West Virginia (the "City"), hereby petitions the Council to enact an ordinance which shall:

(a) set forth a brief and general description of the plan for the construction of additions, improvements and betterments to the sewer system of the City to be prepared and filed by Stafford Consultants, Inc.;

(b) set forth the loan amount needed to pay the costs of said construction of additions, improvements and betterments, which is estimated to be $11,600,000;

(c) order completion of the construction of additions, improvements and betterments to the sewer system of the City;

(d) direct that the City's Sewer Revenue Bond be issued pursuant to the Act, in an amount not to exceed $9,100,000, to pay a portion of the costs of said construction of additions, improvements and betterments and direct that said Bond be issued at the earliest possible date pursuant to the Act;

(e) contain such other provisions as may be necessary in the premises to implement the project.

This Petition was duly authorized at a meeting of the Sanitary Board duly called and held on the 7th day of January, 2011.

WITNESS our signatures on this 7th day of January, 2011.

THE SANITARY BOARD OF THE CITY
OF PRINCETON, WEST VIRGINIA

By: _____

By: _____

By: _____

FILE COPY

AN ORDINANCE AMENDING ARTICLE 925.02 (RATES; FEES AND CHARGES.) OF THE CODIFIED ORDINANCES FOR THE CITY OF PRINCETON, WEST VIRGINIA.

Whereas, the Common Council of the City of Princeton has been advised by the Princeton Sanitary Board of the need to upgrade and increase the capacity of its aging Wastewater Treatment System, and knowing that the Princeton Sanitary Board has employed Stafford Consultants, a local engineering firm, to evaluate the need for, and the costs of, said upgrade. In addition, Griffith & Associates, an independent auditing firm was employed to conduct an examination of the books, records, and general operations of the Sanitary Board of the City of Princeton; and

Whereas, an evaluation conducted by Stafford Consultants, dated February 2008, was submitted as "Princeton Wastewater Treatment Plant Facilities Plan". In addition, an extensive audit conducted by Griffith & Associates, dated February 1, 2008 was provided to the City of Princeton, addressing the Treatment Plant upgrade with associated costs; and

Whereas, the report issued by Griffith and Association contained several specific conclusions and recommendations for pre-construction (Step #1) and construction (Step # 2) rates; and

Whereas, it is now necessary to pass an Ordinance to formally approve, ratify and adopt the pre-construction (Step # 1) and construction (Step # 2) conclusions and recommendations contained therein; and

Whereas, it is in the best interests of the citizens of Princeton that the

Whereas, it is in the best interests of the citizens of Princeton that the conclusions and recommendations contained in the report issued by Griffith and Associates, in the name of The Princeton Sanitary Board, be approved, ratified and adopted so that said project, conclusions, recommendations and rates can be implemented. **HOWEVER**, as a further service to said citizens, the construction tariff shall be implemented in two (2) annual increments; and;

Whereas, it is necessary to specifically amend Article 925.02, the Ordinance pertaining to the Rates, Fees and Charges that may be charged by the City of Princeton Sanitary Board, to reflect the construction tariff.

NOW, THEREFORE BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PRINCETON: THAT,

Article 925.02 "RATES, FEES AND CHARGES: be amended to read in its entirety as follows:

P.S.C. W.Va. No. 5
Canceling P.S.C. W.Va. No. 4

CITY OF PRINCETON, a municipal corporation

OF **STEP 1**

Princeton, West Virginia

RATES, RULES AND REGULATIONS FOR FURNISHING

SEWERAGE AND SEWAGE DISPOSAL SERVICE

at Princeton and vicinity, Mercer County, West Virginia.

Filed with THE PUBLIC SERVICE COMMISSION
of
WEST VIRGINIA

Issued	Effective for all bills rendered on or after 45 days after adoption or as otherwise provided herein

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Passed by City Council

Issued by **CITY OF PRINCETON**, a municipal corporation

By Kenneth E. Clay

City Clerk

Title

CITY OF PRINCETON – SEWER
PROFORMA RATES – STEP 1

SCHEDULE I

(C) APPLICABILITY

Applicable within the entire area served. To be effective forty-five (45) days after the adoption of this ordinance.

(C) AVAILABILITY

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

(A,C) RATES

First 2,500 gallons used per month	**$ 6.20** per 1,000 gallons
All Over 2,500 gallons used per month	**$ 3.25** per 1,000 gallons

(A,C) MINIMUM CHARGE (Customers with a metered water supply)

Each customer shall pay a minimum charge of **$15.50** per month
(Equivalent to 2,500 gallons of water usage)

(A,C) FLAT-RATE CHARGE (Customers with a non-metered water supply)

Each customer shall pay a minimum charge of **$22.00** per month
(Equivalent to 4,500 gallons of water usage

(C) 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.

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

A tap fee of the greater, **$350.00** or the actual cost, solely determined by the Utility, 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.

(C) RETURNED CHECK CHARGE

A service charge equal to actual bank charges will be imposed upon any customer whose check is returned by the bank for any reason.

(A,C) WATER DISCONNECT-RECONNECT-ADMINISTRATIVE FEES

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

CITY OF PRINCETON – SEWER
PROFORMA RATES – STEP 1

SCHEDULE II

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

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

S = A x R x .OOO6233 x C

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

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

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

CITY OF PRINCETON – SEWER
PROFORMA RATES – STEP 1

SCHEDULE IV

(C) APPLICABLE INSIDE AND OUTSIDE OF THE LIMITS OF THE UTILITY

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

(N)

SCHEDULE V

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for wastewater and leachate haulers.

RATES

Commodity Charge – Each customer shall pay a commodity charge of **$50.00** per 1,000 gallons per load. Load will be the actual capacity of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined, or verified solely, by the Utility.

DELAYED PAYMENT PENALTY

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

(C)RETURNED CHECK CHARGE

A service charge equal to actual bank charges will be imposed upon any customer whose check is returned by the bank for any reason.

SCHEDULE VI

RESALE SEWER SERVICE

$3.50 per 1,000 gallons for all resale customers.

P.S.C. W.Va. No. 6
Canceling P.S.C. W.Va. No. 5

CITY OF PRINCETON, a municipal corporation

OF **STEP 2**

Princeton, West Virginia

RATES, RULES AND REGULATIONS FOR FURNISHING

SEWERAGE AND SEWAGE DISPOSAL SERVICE

at Princeton and vicinity, Mercer County, West Virginia.

Filed with THE PUBLIC SERVICE COMMISSION
of
WEST VIRGINIA

Issued

Effective for all bills rendered on or after May 1, 2009
or as otherwise provided herein

Passed by City Council

Issued by **CITY OF PRINCETON**, a municipal corporation

By Kenneth E. Clay

City Clerk

Title

CITY OF PRINCETON – SEWER
PROFORMA RATES – STEP 2

SCHEDULE I

APPLICABILITY

Applicable within the entire area served effective on all bills rendered on or after May 1, 2009.

AVAILABILITY

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

(A) RATES

First 2,500 gallons used per month	**$ 8.50** per 1,000 gallons
All Over 2,500 gallons used per month	**$ 4.00** per 1,000 gallons

(A) MINIMUM CHARGE (Customers with a metered water supply)

Each customer shall pay a minimum charge of **$21.25** per month
(Equivalent to 2,500 gallons of water usage)

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

Each customer shall pay a minimum charge of **$27.25** per month
(Equivalent to 4,000 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**

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

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

A tap fee of the greater, **$350.00** or the actual cost, solely determined by the Utility, will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

A service charge equal to actual bank charges will be imposed upon any customer whose check is returned by the bank for any reason.

WATER DISCONNECT-RECONNECT-ADMINISTRATIVE FEES

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

CITY OF PRINCETON – SEWER
PROFORMA RATES – STEP 2

SCHEDULE II

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

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

S = A x R x .OOO6233 x C

S - The surcharge in dollars

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

R - The measured monthly rainfall, in inches

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

C - The Utility=s approved rate per thousand gallons of metered water usage

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

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

CITY OF PRINCETON – SEWER
PROFORMA RATES – STEP 2

SCHEDULE IV

APPLICABLE INSIDE AND OUTSIDE OF THE LIMITS OF THE UTILITY

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

SCHEDULE V

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for wastewater and leachate haulers.

RATES

Commodity Charge – Each customer shall pay a commodity charge of **$50.00** per 1,000 gallons per load. Load will be the actual capacity of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined, or verified solely, by the Utility.

DELAYED PAYMENT PENALTY

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

RETURNED CHECK CHARGE

A service charge equal to actual bank charges will be imposed upon any customer whose check is returned by the bank for any reason.

SCHEDULE VI

RESALE SEWER SERVICE

$4.00 per 1,000 gallons for all resale customers.

STATE OF WEST VIRGINIA

COUNTY OF MERCER

CITY OF PRINCETON, to wit:

Be it RESOLVED by the Common Council of the City of Princeton, that the preceeding shall be adopted, ratified, and approved upon the passage of this ordinance.

First Reading Date: February 11, 2008

Second Reading & Public Hearing Date: March 10, 2008

APPROVED: March 10, 2008

March 10, 2008

Date:

Kenneth E. Clay

Kenneth Clay, City Clerk:

ATTENTION PRINCETON RESIDENTS

On Tuesday, the 10th day of March, 2008, at 7:30 P.M. in the Council Chambers of the Municipal Building, 100 Courthouse Road, Princeton, West Virginia, the Princeton City Council will conduct a public hearing, in conjunction with a second reading, for **AN ORDINANCE AMENDING ARTICLE 925.02 (RATES, FEES AND CHARGES.) OF THE CODIFIED ORDINANCES OF THE CITY OF PRINCETON, WEST VIRGINIA: "SEWER RATES AND CHARGES."**

At said hearing any interested citizen may appear and be heard. Said hearing may be continued from time to time as deemed necessary by the Council.

For more specific information regarding the proposed ordinance, please contact Mr. Mike Saffel, Sanitation Department Director, Monday through Friday, 8:30 a.m. to 4:30 p.m., at the Sanitary Board, South Wickham Avenue, or call (304)425-9599.

Dated this 12th day of February, 2008

Kenneth E. Clay, City Clerk

FILE COPY

CERTIFICATE OF PUBLICATION

State of West Virginia,

County of Mercer, To-wit:-

Sandra Carroll of the Bluefield Daily Telegraph, a daily newspaper published in the City of Bluefield, Mercer County, West Virginia, do certify that the notice attached hereto under the caption;

was published in the said Bluefield Daily Telegraph

Two (2) Time(s)

on the following day(s), namely; February 20 & 27

in the year 2008.

Publication Fee $38.39

Sandra Carroll

Subscribed and sworn to before me this 27th day of February 2008.

My Commission expires Dec 16 2008.

Teresa Herald

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
TERESA HERALD
BLUEFIELD DAILY TELEGRAPH
928 BLUEFIELD AVENUE
BLUEFIELD, WV 24701
My commission expires December 16, 2008

248 1X3 3/4

City of Princeton

STATE OF WEST VIRGINIA,

COUNTY OF MERCER,

CITY OF PRINCETON, to-wit:

I, Kenneth E. Clay, City Clerk for the City of Princeton, do hereby certify that on 14th day of April, 2008, at a Regular Meeting of the Common Council of the City of Princeton, with a quorum present and acting throughout, the City Council unanimously approved the attached minutes of the March 10, 2008, Regular Meeting of the Common Council of the City of Princeton, Mercer County, West Virginia; a true and correct facsimile of the original document it purports to reproduce.

Dated this the 16th day of February, 2011.

[SEAL]

Kenneth E. Clay
City Clerk

100 Courthouse Road ★ Princeton, West Virginia 24740-2431 ★ (304) 487-5020 ★ Fax (304) 487-5030

EQUAL HOUSING OPPORTUNITY

REGULAR MEETING – CITY COUNCIL
PRINCETON, MERCER COUNTY, WEST VIRGINIA
March 10, 2008

A Regular Meeting of the Common Council of the City of Princeton, Mercer County, West Virginia was held in the Council Chambers of the Municipal Building on Monday, March 10, 2008, at 7:30 P. M. Those in attendance were Mayor Dewey Russell; Vice Mayor Pat Wilson; Council Members Chad Skeens Caldwell, John Wilborn, Marshall Lytton and Dewey Large; City Manager Wayne Shumate, City Attorney Paul Cassell and City Clerk Kenneth Clay. A quorum was constituted thereby.

CALL TO ORDER

Mayor Russell called the meeting to order. Pat Wilson invoked divine guidance for the conduct of the meeting. Chad Skeens Caldwell led in the Pledge of Allegiance to the Flag of the United States of America.

PROCLAMATIONS – PRESENTATIONS

Proclamation: Quota Cares Month – Mayor Russell read a proclamation designating the month of March 2008, as Quota Cares Month in the City of Princeton and recognized the contributions and accomplishments of Quota International of Princeton. The Princeton Quota Club's fundraising project this year is dedicated to Appalachian Teen Challenge and the construction of its new women's dormitory.

PUBLIC INPUT

Second Reading and Public Hearing for AN ORDINANCE AMENDING ARTICLE 925.02 (RATES; FEES AND CHARGES) OF THE CODIFIED ORDINANCES OF THE CITY OF PRINCETON, WEST VIRGINIA: SEWER RATES.

City Attorney Paul Cassell read the proposed ordinance to increase sewer rates, fees and charges by title.

Public Hearing

Mayor Dewey Russell declared the public hearing on the proposed ordinance open at 7:35 P. M. and called for comments for or against said amendment.

Charles Hampton, Sr., 490 Elmore Road – Charlie Hampton questioned the proposed rate increase by remarking that the Sanitary Board had increased sewer rates due to a loss of revenue when Pepsi moved its processing plant a few years ago. He added that his household includes himself, wife and a twenty-three year old daughter. Water and sewer combined already run $90 to $100 per month, more than should be paid for water and sewer in this area. Mr. Hampton stated that he has lived in other areas where residents were given credit on their bills for household water usage that did not return to the waste-water treatment system. He recommended this be adopted in Princeton should the sewer rates be increased.

Will Stafford, 1806 Honaker Avenue – Will Stafford spoke in favor of the sewer rate increase. He remarked that, in his opinion, after serving on the State Infrastructure Board, the sewer service we have here in Princeton is a good deal, in that the sewer rates are lower than most, by and large. Also, the operations are run more efficiently than others as reflected in the fact that we do not have any problems with the Department of Environmental Protection (DEP).

Tom Workman, 1425 Hoge Street – Mr. Workman questioned why such a large rate increase would be implemented at one time. Why not distribute it over a longer time period to ease the impact on the household incomes of those seniors and others on fixed incomes, he asked.

Joe Hampton, 5 Woodcrest Addition – Mr. Hampton also spoke in opposition to the proposed sewer rate increase.

Mike Saffel, Director, Princeton Sanitary Board – Mr. Saffel clarified the issues introduced in opposition to the proposed sewer rate increase by explaining the Princeton Sanitary Board is facing an unfunded mandate established by the Clean Water Act. Under this law the City of Princeton must begin catching and processing rainwater from all non-permeable surfaces by 2010, effectively creating a new utility for which the citizens will be billed. In addition, the economic growth within the Princeton Sanitary Board's service area, including the Oakvale Road PSD, is taxing the capacity of Princeton's Sewer Plant. These demands have resulted in the need to expand the Wastewater Treatment facility, at a cost of $6.6 Million, in preparation to adequately provide service to the Princeton Sanitary Board's customers.

Vice Mayor Pat Wilson asked Mr. Saffel if the City officials fail to implement this rate increase would not State officials step in and require a rate increase of their own choosing?

Mr. Saffel responded by explaining he had an independent auditor assess the Sewer Plant Expansion Project and the requirements to do so. The proposed sewer rate increase, at $5.00 this year and the next, is dedicated to paying off a loan of $6.6 Million to expand the wastewater treatment plant and represents the minimum rate required to accomplish the job. Also, larger cities the West Virginia, like Charleston and Huntington, are facing massive increases in sewer rates because of the Stormwater Management requirements that mandates the capture and processing of all stormwater. This will create another utility with monthly rates of $20 to $25 for processing this added volume of water. However, in Princeton Mr. Saffel explained, it is his intent to avoid these added fees by expanding the capacity of the processing facility and be ready when the time comes to begin the new stormwater management system in Princeton.

Michael Griffith, CPA – Mr. Griffith, the independent auditor, explained the process for

obtaining funding for the $6.6 Million Sewer Plant Expansion Project in Princeton and the comprehensive review of the Sanitary Boards financial records required to arrive at the recommended amounts for the sewer rate increases contained within the ordinance before City Council tonight.

Charles Hampton, Sr. – Mr. Hampton stated that he had much respect for Mr. Saffel, but still he felt uncomfortable about the proposed sewer rate increase. He added that he supports annexation of his housing development into the City of Princeton and even though his sewer service is provided through Oakvale PSD, at $35 per month, this rate increase will be passed on to him.

Mr. Saffel responded by explaining that Oakvale PSD's increase will equate to $.75, but not more than $1.50. That is part of paying the bonded indebtedness that comes from the growth of the area. Also, Oakvale PSD only pays the Princeton Sanitary Board $8.00 out of Mr. Hampton's total sewer bill for the use of the sewer processing plant.

Councilman Lytton remarked that no one likes to pay increases for utilities. He noted West Virginia American Water Company's recent application for a 24.9% rate increase that was targeted to meet payroll, liability insurance and its gas bill. Such expenses should be paid from the general budget and not funded by rate increases. Therefore, he opposed the rate increase by WVAMC and sponsored a petition in opposition, as well. Because of the outcry in opposition to such a high rate increase, the West Virginia Public Service Commission delayed action. However, the proposed sewer rate increase is different in that it will go to fund improvements that are required by the Public Service Commission. Absent any action by the City, the Public Service Commission will step in and do everything all at once and establish sewer rates of their choosing. Because of these factors, Mr. Lytton stated that he supports this proposed rate increase.

Mayor Russell closed the Public Hearing and moved City Council back to its Regular Session.

MOTION: Dewey Large moved City Council approve the ordinance as presented.

John Wilborn duly seconded the motion.

The motion carried unanimously, including Mayor Russell's vote in the affirmative.

CONSENT AGENDA

Without objection, Mayor Russell declared the Consent Agenda approved and committed to the permanent record, as follows:

A. Approval of the Minutes of the February 6, 2008, Special Meeting.
B. Approval of the Minutes of the February 11, 2008, Regular Meeting.

POLICY AGENDA
COMMITTEE REPORTS
PUBLIC WORKS AND RECREATION

Chairman John Wilborn reported the Public Works and Recreation Committee of Princeton City Council met on Monday, February 25, 2008, with the following items to report out to City Council as information:

Street Paving List – City Manager Wayne Shumate presented the Alternate Street Paving List from the 2006 Street Paving Project and advised that it will serve as the basis for formulating the list for the 2008 Street Paving Project. Other streets will be added, as recommended by Public Works Director, Kenneth Rose. Mr. Shumate continued by explaining that Mr. Rose will return to the Committee with a full listing of street paving recommendations. Any suggestions from Council Members are welcome, he added.

Employee Update – Mr. Shumate reported that it appears a Public Works employee who was injured recently will not be able to return to work. Therefore, the City will fill that position by advertising the vacancy. He explained that the Public Works Department needs the manpower for the coming warm months.

Also, another Public Works' employee twisted an ankle and incurred a hairline fracture upon stepping from a truck. Therefore, to relieve the workload, the Public Works Department will hire a temporary worker until the injured worker returns to the job.

Pre-engineering Proposals – Mr. Shumate informed, regarding the replacement sewer lines planned for Washington Avenue and Low Gap Road, that the engineering proposals submitted in response to the RFP are due no later than March 13, 2008. Therefore, he would like to reschedule the March meeting and use the Public Works and Recreation Committee as the Selection Committee for the RFP's. (Need to set the meeting date for March 24, 2008, at 11:00 a.m.)

PUBLIC SAFETY

Prior to making his Committee report, Mr. Lytton thanked Mike Saffel for keeping the sewer rates down for years and expressed the hope that Mr. Saffel would be able to obtain grant funding after the passage of the sewer rate ordinance.

Chairman Marshall Lytton then reported that the Public Safety Committee of Princeton City Council met on March 5, 2008, with the following items to report out to City Council for action and/or as information:

Funding for Removal of Dilapidated Mobile Homes – Mr. Lytton reported the Public Safety Committee moved and recommended to City Council, **and he so moved,** the additional appropriation, in FY 2008, of $10,000 to fund the removal of dilapidated and condemned mobile homes as a part of the Code Enforcement Department's Recycling

Program.

Pat Wilson duly seconded the motion.

The motion carried unanimously.

Bids for Diesel Exhaust Systems for Fire Department – Mr. Lytton reported the Public Safety Committee approved and recommended to City Council, **and he so moved,** the bid of Clean Air Concepts of Cincinnati, Ohio, in the amount of $54,177, to install diesel exhaust systems in the Fire Department's main station and substation. Although not the low bid, the technology is the most acceptable under the City's specifications.

John Wilborn duly seconded the motion.

Mayor Russell remarked that the cost involved in this project is covered by a grant obtained by the Fire Chief.

On voting, the motion carried unanimously.

FINANCE AND ADMINISTRATION

Chairman Chad Skeens Caldwell reported the Finance and Administration Committee of Princeton City Council met on March 5, 2008, with the following items to report out to City Council for action or as information:

Interim Financing Proposal for Pre-engineering in re: Sewer Plant Expansion – On the recommendation of Region I Planning and Development Council's project team, the Finance and Administration Committee approved and recommended, **and Mr. Caldwell so moved,** that an interim financing design loan be pursued with B. B. & T., by the City of Princeton and its Sanitary Board, for the Sewer Plant Expansion Project.

Dewey Large duly seconded the motion.

The motion carried unanimously

February 2008, Financial Statement – Finance Director Kelly Davis reported that at the end of February, the eighth month of FY 2008, the rate of revenues collected stood at 77.46% (10.82% over estimates) and appropriations were expended at a rate of 51.03% (under estimates by 15.61%). Therefore, the General Fund closed the month of February 2008, ahead of budget estimates by 26.43%.

Mr. Caldwell reviewed the more noteworthy expenditures for the month of February 2008, as follow:

Contribution to the Fire Truck Capital Fund	$ 20,000

Custom Computers (lap top computers for police cruisers)	10,989
Digital Alley (in-car cameras for police vehicles)	19,475
Mercer County Solid Waster (February landfill fee)	18,227
Improvements Unlimited (sidewalks)	12,133
Princeton Park Board (pass through WV Dev Office Grant)	15,000
Danieley Mobile Home Movers (mobile home recycling)	2,400
Two Payrolls & Routine Operations	300,389

Mr. Caldwell reported that the Finance and Administration Committee approved and recommended the Financial Statements for February 2008 to City Council, **and he so moved.**

John Wilborn duly seconded the motion.

The motion carried unanimously.

FY 2008 General Fund Budget Revision #3 – The Finance and Administration Committee approved and recommended to City Council Budget Revision #3 to the FY 2008 General Fund.

Mr. Caldwell further reported that Budget Revision #3 is required to appropriate an increase in estimated revenues of $184,684. Of that amount, $112,635 is anticipated grant receipts, $34,600 is revised tax, license and fee estimates, and $15,000 is expected investment interest. These, together with other minor revisions, bring the total FY 2008 General Fund Budget to $7,005,950 and marks the first time the City's budget has exceeded $7 Million.

Mr. Caldwell **moved** City Council approve Budget Revision #3 to the FY 2008 General Fund.

Marshall Lytton duly seconded the motion.

The motion carried unanimously.

Approval of the FY 2009 General Fund Budget – City Manager Wayne Shumate reported to the Finance and Administration Committee that since the February 2008 Budget Retreat the "Certificate of Valuation and Assessed Property Values" has been received from the Mercer County Assessor. Applying these property values to the mandated property tax formulas increased revenue projections for the FY 2009 General Fund Budget by $40,745.

This increase brings the total funds to appropriate to $6,366,730. This includes $4,866,730 in General Fund revenue and an estimated $1,500,000 unencumbered fund balance that will carry over into the FY 2009 Budget.

The General Fund operating budget for FY 2009 includes a 3 percent cost-of-living allowance for all General Fund employees. The clothing allowance for City employees (which has remained at $300 for the past 16 years) has been increased to $500 for each full time General Fund employee.

Highlights of the recommended capital expenditures in the FY 2009 General Fund Budget include:

- Improvements to the police building – additional window replacements and renovations
- Replacement of the existing phone system in the police building
- Purchase of new computers and bulletproof vests for the Police Department
- Purchase of 3 TOMAR devices for fire vehicles to allow safer travel through traffic lighted intersections
- New mattresses and box springs for the sleeping quarters in both Fire stations
- 20 rechargeable handheld lights for the Fire Department
- $75,000 set aside in Street Department for the biannual street paving contribution, as well as an additional $5,000 for any needed equipment
- Lease purchase of two police vehicles along with the required police equipment for each vehicle

Contributions to outside agencies from the FY 2009 General Fund Budget remain the same as previous years, with the following exceptions:

Princeton Baseball Association	$ 7,500 (increase of $1,500)
Bluefield Transit System	24,829 (increase of $2,394)
City Hall Capital Fund	100,000 (decrease of $200,000)

The FY 2009 General Fund appropriations total $6,366,730; thereby appropriating all expected revenue and projected unencumbered fund balance creating a balanced budget as required by State Code.

Mayor Russell inquired about the recommendation from City Council for the purchase of a new 4-WD vehicle for the City Manager.

City Manager Wayne Shumate replied that such a vehicle is included in the FY 2009 Budget, with a transfer of the current City Manager's vehicle to the Recreation Director.

Also, the Mayor mentioned that the funding increase for Bluefield Transit is due to the increased fuel costs.

MOTION: Mr. Caldwell reported that the Finance and Administration Committee approved and recommended the FY 2009 General Fund Budget to City Council, **and he**

so moved.

Marshall Lytton duly seconded the motion.

The motion carried unanimously.

Approval of the FY 2009 Coal Severance Budget – There were no changes in the proposed FY 2009 Coal Severance Budget since the February 2008 Budget Retreat. During the FY 2009 budget cycle the City expects to receive $21,000 in Coal Severance Tax from the State. The projected beginning balance for the Coal Severance Fund is $42,500. With investment interest, the total projected revenue and expenses for the Coal Severance Fund for FY 2009 is $64,000.

MOTION: Mr. Caldwell reported that the Finance and Administration Committee approved and recommended the FY 2009 Coal Severance Budget to City Council, **and he so moved.**

John Wilborn duly seconded the motion.

The motion carried unanimously.

Region I Project Priorities and Authorizing Resolution – The Finance and Administration Committee approved and recommended a resolution approving the following 2008 Project Prioritization as required by federal and state agencies to qualify for grant funds:

1. Sewer Plant Expansion & Improvements to Inflow & Infiltration
2. Sewer Line Upgrade & Extension
3. Multipurpose Equestrian Center
4. Storm Sewer Construction
5. Entrance Signs Construction
6. Mercer Street Sidewalk Construction
7. Recycling Abandoned & Junked Vehicles
8. Building Improvements Façade Upgrades

RESOLUTION

WHEREAS, the Regional Council annually prioritizes projects for communities seeking funding for the coming year; and

WHEREAS, community projects must be on the Regional Prioritization List to qualify for funding from the Appalachian Regional Commission (ARC), the Economic Development Administration (EDA) and the Small Cities Block Grant Program; and

WHEREAS, Region I Planning and Development Council (RPDC) has requested the Princeton City Council to complete prioritization forms for the City of Princeton and submit them no later than March 31, 2008.

NOW, THEREFORE, BE IT HEREBY RESOLVED:

That the Common Council of the City of Princeton approves the attached Category Priority Ranking and Community Priority Revisions for submission to Region I Planning and Development Council (RPDC) on this, the 10th day of March, 2008.

Dewey W. Russell, Mayor

MOTION: Mr. Caldwell **moved** City Council adopt the resolution as read, together with the accompanying Project Categorization and Prioritization.

Dewey Large duly seconded the motion.

The motion carried unanimously.

Resolution Authorizing Grant Contract in re: City Pool Renovations – The Finance and Administration Committee approved and recommended to City Council a resolution accepting the terms and conditions of a contract for a $7,500 Community Participation Grant to purchase equipment for the City Pool and authorizing the City Manager to sign said resolution, as follows:

RESOLUTION

WHEREAS, the Common Council of the City of Princeton recognizes that the Princeton City Pool provides an important recreational activity for the residents of Princeton and Mercer County; and

WHEREAS, the renovation and overall improvement of the pool deck and liner, together with the addition of an aquatic access lift, ladders, vacuum, lifeguard stands and other equipment are necessary to the continued, efficient operation of the pool; and

WHEREAS, the West Virginia Development Office and the City of Princeton have determined that the repair and renovation of the Princeton City Pool is an eligible project for funding under the Governor's Community Participation Grant Program; and

WHEREAS, the City of Princeton must enter into a state/local contract (Project Number: 07LEDA0297) with the West Virginia Development Office specifying the terms and conditions under which the Governor's Community Participation Grant, in the amount of $7,500, must be applied.

NOW, THEREFORE, BE IT HEREBY RESOLVED:

That the Common Council of the City of Princeton accepts the terms and conditions of the aforementioned contract with the West Virginia Development Office and the Governor's Community Participation Grant Program (Project Number: 07LEDA0297), and authorizes the City Manager to sign said document, thereby binding the City of Princeton to the same.

Dewey W. Russell, Mayor

MOTION: Mr. Caldwell moved City Council approve the resolution as read.

Pat Wilson duly seconded the motion.

The motion carried unanimously.

Resolution Authorizing Grant Application on Behalf of the Princeton Health & Fitness Center – Mr. Caldwell reported the Finance and Administration Committee approved and recommended thereby to City Council a resolution authorizing the submission of an application for a Community Participation Grant of $4,000 on behalf of the Princeton Health & Fitness Center's *NEW You* program for at-risk children, as follows:

RESOLUTION

WHEREAS, the mission of the Princeton Health & Fitness Center is to provide and promote cost effective preventive health education and activities within and outside the Center to help community members take responsibility for, and personally experience, the healthiest possible lifestyle; and

WHEREAS, the Princeton Health & Fitness Center's *NEW You* program is a clinically managed lifestyle intervention program that targets children between 11 and 14 years of age who exhibit two or more health risk factors for obesity; and

WHEREAS, the Common Council of the City of Princeton recognizes that the essential services provided by the Princeton Community Hospital Foundation, through its Health and Fitness Center, serve to greatly enhance the overall well-being of residents within the greater Princeton and Mercer County communities; and

WHEREAS, that counties and municipalities may sponsor the grant applications of federally certified nonprofit organizations; and

WHEREAS, the Princeton Health & Fitness Center has proposed that application

be made for a Community Participation Grant of $4,000 that will be used to provide at-risk children with a clinically managed lifestyle intervention program.

NOW, THEREFORE, BE IT HEREBY RESOLVED:

That the Common Council of the City of Princeton hereby endorses the Princeton Health & Fitness Center's *NEW You* program for at-risk children and authorizes Wayne Shumate, as City Manager, to apply for a Community Participation Grant in the amount of $4,000 (Project Number: 07LEDA0296), and administer said grant on behalf of the Princeton Health & Fitness Center.

Dewey W. Russell, Mayor

MOTION: Mr. Caldwell moved City Council adopt the resolution as read.

John Wilborn duly seconded the motion.

The motion carried unanimously.

B. & O. Tax Incentive Application – Having met the established criteria, the Finance and Administration Committee approved and recommended, **and Mr. Caldwell so moved,** the following business for receipt of the B. & O. Tax Incentive for new businesses locating in the City of Princeton:

The Gingerbread House, 226 Thorn Street (Cynthia Dalton)

Pat Wilson duly seconded the motion.

The motion carried unanimously.

Meeting to Lay the Levy – Mr. Caldwell announced that Princeton City Council will meet in an adjourned session of this meeting on Tuesday, April 15, 2008, at 8:00 A. M., in the Council Chambers of the Municipal Building, to Lay the Levy for the FY 2009 General Fund Budget.

DEPARTMENT HEADS

Public Works – Public Works Director Kenneth Rose reported the hiring of a temporary worker today to help relieve a heavier workload caused by workers off with injuries in the Public Works Department.

COUNCIL ROUNDTABLE

Pat Wilson – Ms. Wilson thanked the members of the public for attending the meeting and for their comments during the public hearing. She added that City Council had to

approve the sewer rate increase before the State intervened.

Marshall Lytton – Mr. Lytton thanked those who came to the meeting to express their opinions and interest in the Sanitary Board rate increase.

Chad Skeens Caldwell – Mr. Caldwell called attention to a number of issues related to the WV Department of Highways and Rogers and Thorn Streets, as follow:

First, the shoulders on Rogers Street are beginning to erode resulting in the pavement breaking away which will mean major repairs in the future.

Second, there are divots that were created from utility work on Rogers Street that run to the intersection of Stafford and Bee Streets. These are becoming quite noticeable potholes, especially along the south lane of Rogers Street.

Third, from the overhead bridge to approximately Third Street, all sections of pavement have begun to separate and are rising up in an irregular fashion. It is only a matter of time until these become worse.

Fourth, the bridge at Rogers and Brick Street is dilapidated and even though attempts at patching have been made, potholes are causing the surface to break apart.

Fifth, the overhead Thorn Street Bridge is changing continuously from being a mere embarrassment to a death trap. Obviously the lessons of the bridge collapse in Minnesota are being ignored in Charleston and this bridge is going to continue to deteriorate.

In conclusion, Mr. Skeens Caldwell remarked that these conditions have been prevalent for over two years. The City Manager had mentioned that Rogers Street was due for paving, but that did not take place. Also, these conditions are growing significantly worse, causing problems for our citizens and representing an embarrassment to the Department of Highways in its refusing to make repairs.

City Manager Wayne Shumate responded that, if Council would like, City officials could address these matters again with the Department of Highways locally and on the State level.

Mayor Russell suggested that perhaps the time had come to go to Charleston and meet face-to-face with State officials regarding these urgent matters.

The City Manager added that he, together with Mr. Lytton had endeavored to obtain assistance regarding these matters, but all efforts to obtain State assistance thus far had met with minimal responses. Perhaps Council's presence in Charleston might prompt a better response, he concurred.

Mayor Russell directed City officials make arrangements for a trip to Charleston for all the Council Members who would like to participate.

Mr. Shumate acknowledged the same in the affirmative.

Mayor Dewey Russell – Mayor Russell remarked that he had served on Council for thirteen years and has seen just minimal increases in the City's utilities over that time. Still, it is a challenge every day. As Mr. Lytton said, he also appreciates the Hamptons' presence this evening. Tom Workman, as well. The Mayor added that it has been Council's concern about the demographics of their community. One of the concerns regarding the current sewer rates is the fact that the Princeton Sanitary Board is not eligible for grant funding because the rates have been held artificially lower. Sometimes organizations are not rewarded for managing resources efficiently. Again, this is not an easy task for City Council, especially considering the make-up of this Council. Three members are retired, a lady who is a standard bearer for the elderly and Mr. Caldwell. This has been a difficult challenge for us, but we desire to see the City of Princeton grow.

The Mayor thanked Charlie Hampton for making his comment about annexation. As we move forward into the future, it is amazing the number of people who live in our State and who travel I-77 thinking everything they see when they pass under the bridge at Rt. 460 is the City of Princeton.

ADJOURNMENT

At 8:30 P. M. the Mayor adjourned the meeting of March 10, 2008, until 8:00 A. M. on April 15, 2008, when Council will reconvene to Lay the Levy for FY 2009.

BLUEFIELD DAILY TELEGRAPH
928 BLUEFIELD AVENUE
P.O. BOX 1599
BLUEFIELD, WV 24701
PHONE: (304) 327-2809
FAX: (304) 325-6176
(800) 763-2459

PRINCETON TIMES
109 THORN STREET
P.O. BOX 1199
PRINCETON, WV 24740
PHONE: (304) 425-8191

REGION 1 PLANNING & DEV COUNCIL
ATTN: GINGER GIBSON
1439 E MAIN ST SUITE 5
PRINCETON WV 24740

DATE 28-Jan-11
ACCOUNT NUMBER: 894
AMOUNT DUE: 115.17

Due Upon Receipt

Please Return Upper Portion with your Remittance

DATE	DESCRIPTION	ED	COL.	DEPTH	SIZE	RATE	AMOUNT
21-Jan	SEWER REVENUE BOND	BDT	1X	11.25	11.25	5.85	65.81
28-Jan	SEWER REVENUE BOND 25%	BDT	1X	11.25	11.25	65.81X.75	49.36

RECEIVED
JAN 31 2011
REGION 1 PDC

TOTAL 115.17

BLUEFIELD DAILY TELEGRAPH **PRINCETON TIMES**

18% Annual Service Charges on Past Due Invoices

NOTICE TO RESIDENTS OF THE CITY OF PRINCETON, MERCER COUNTY, WEST VIRGINIA, AND OTHER PERSONS INTERESTED IN ORDINANCE FOR PROPOSED ISSUANCE OF SEWER REVENUE BOND, SERIES 2011 (WV CWSRF PROGRAM)

Pursuant to the provisions of West Virginia Code Chapter 6, Article 9A and Chapter 16, Article 13, as amended, you hereby notified that at meetings of the City Council (the "Council" or "Princeton City Council") of the City of Princeton, West Virginia (the "City"), held on the 11th and 18th days of January, 2011, the Council passed on first and second readings and adopted an Ordinance entitled "Ordinance Authorizing the Acquisition, Construction and Equipping of Improvements and Extensions to the Existing Public Sewerage Facilities of the City of Princeton and the Financing of the Cost, Not Otherwise Provided Thereof, Through the Issuance by the City of Not More Than $9,100,000 in Aggregate Principal Amount of its Sewer Revenue Bond, Series 2011 (WV CWSRF Program); Providing for the Rights and Remedies of and Security for the Registered Owner of Such Bond; Authorizing Execution and Delivery of All Documents Relating to the Issuance of Such Bond; Approving, Ratifying and Confirming a Bond Purchase Agreement Relating to Such Bond; Authorizing the Sale and Providing for the Terms and Provisions of Such Bond; And Enacting Other Provisions Relating Thereto" (the "Ordinance") authorizing the issuance of Sewer Revenue Bond, Series 2011 (WV CWSRF Program) (the "Bond"), of the City in an amount not to exceed $9,100,000. The Bond will provide a portion of the funds necessary to finance the [illegible] to acquire and construct necessary improvements to the existing sewer system of the City.

The entire amount of the principal of and interest on the Bond will be paid solely and only from the revenues received from operation of the sewer system of the City to be amortized over a period of 30 years. The Bond will bear interest at the rate of 0% per annum, plus an administrative fee of 1/2% per annum.

A certified copy of the Ordinance is available for examination by any interested person at Princeton City Hall during regular office hours, from 8:30 a.m. to 4:30 p.m., Monday through Friday, and at the offices of the Princeton Sanitary Board located at 327 S. Wickham Avenue in Princeton during regular office hours from 8:30 a.m. to 3:30 p.m.

A public hearing will be held before the Princeton City Council at City Hall on the 1st day of February, 2011, at 12:00 p.m., and any person or persons interested may appear before the Council and be heard as to whether or not the Ordinance shall be put into effect. Council will hear all suggestions, protests and objections to the issuance of the Bond.

Dated this 3rd day of January, 2011.

CITY OF PRINCETON

894 1X11 1/4

CERTIFICATE OF PUBLICATION

State of West Virginia,

To-wit:-

County of Mercer,

Teresa L. Dye of the Bluefield Daily Telegraph, a daily newspaper published in the City of Bluefield, Mercer County, West Virginia, do certify that the notice attached hereto under the caption;

was published in the said Bluefield Daily Telegraph

Two (2) Times

on the following day(s), namely January 21 & 28 in the year 2011.

Publication Fee $115.17

Teresa L. Dye

Subscribed and sworn to before me this 28th day of January 2011.

My Commission expires Dec 16 20 18.

Teresa Herald

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
TERESA HERALD
BLUEFIELD DAILY TELEGRAPH
928 BLUEFIELD AVENUE
BLUEFIELD, WV 24701
My commission expires December 16, 2018

BLUEFIELD DAILY TELEGRAPH
928 BLUEFIELD AVENUE
P.O. BOX 1599
BLUEFIELD, WV 24701
PHONE: (304) 327-2809
FAX: (304) 325-6176
(800) 763-2459

PRINCETON TIMES
109 THORN STREET
P.O. BOX 1199
PRINCETON, WV 24740
PHONE: (304) 425-8191

REGION 1 PLANNING & DEV COUNCIL
ATTN: GINGER GIBSON
1439 E MAIN ST SUITE 5
PRINCETON WV 24740

DATE 28-Jan-11
ACCOUNT NUMBER: 894
AMOUNT DUE: 101.78

Due Upon Receipt

Please Return Upper Portion with your Remittance

DATE	DESCRIPTION	ED	COL.	DEPTH	SIZE	RATE	AMOUNT
21-Jan	SEWER REVENUE BOND	PT	1X	11.25	11.25	5.17	58.16
28-Jan	SEWER REVENUE BOND 25%	PT	1X	11.25	11.25	58.16X.75	43.62
	TOTAL						101.78

RECEIVED
JAN 3 1 2011
REGION I PDC

BLUEFIELD DAILY TELEGRAPH **PRINCETON TIMES**

18% Annual Service Charges on Past Due Invoices

NOTICE TO RESIDENTS OF THE CITY OF PRINCETON, MERCER COUNTY, WEST VIRGINIA, AND OTHER PERSONS INTERESTED IN ORDINANCE FOR PROPOSED ISSUANCE OF SEWER REVENUE BOND, SERIES 2011 (WV CWSRF PROGRAM)

Pursuant to the provisions of West Virginia Code Chapter 6, Article 9A and Chapter 16, Article 13, as amended, you hereby notified that at meetings of the City Council (the "Council" or "Princeton City Council") of the City of Princeton, West Virginia (the "City"), held on the 11th and 18th days of January, 2011, the Council passed on first and second readings and adopted an Ordinance entitled "Ordinance Authorizing the Acquisition, Construction and Equipping of Improvements and Extensions to the Existing Public Sewerage Facilities of the City of Princeton and the Financing of the Cost, Not Otherwise Provided Thereof, Through the Issuance by the City of Not More Than $9,100,000 in Aggregate Principal Amount of its Sewer Revenue Bond, Series 2011 (WV CWSRF Program); Providing for the Rights and Remedies of and Security for the Registered Owner of Such Bond; Authorizing Execution and Delivery of All Documents Relating to the Issuance of Such Bond; Approving, Ratifying and Confirming a Bond Purchase Agreement Relating to Such Bond; Authorizing the Sale and Providing for the Terms and Provisions of Such Bond; And Enacting Other Provisions Relating Thereto" (the "Ordinance") authorizing the issuance of Sewer Revenue Bond, Series 2011 (WV CWSRF Program) (the "Bond"), of the City in an amount not to exceed $9,100,000. The Bond will provide a portion of the funds necessary to finance the estimated costs to acquire and construct necessary improvements to the existing sewer system of the City.

The entire amount of the principal of and interest on the Bond will be paid solely and only from the revenues received from operation of the sewer system of the City to be amortized over a period of 30 years. The Bond will bear interest at the rate of 0% per annum, plus an administrative fee of 1/2% per annum.

A certified copy of the Ordinance is available for examination by any interested person at Princeton City Hall during regular office hours from 8:30 a.m. to 4:30 p.m. Monday through Friday, and at the offices of the Princeton Sanitary Board located at 327 S. Wickham Avenue in Princeton during regular office hours from 8:30 a.m. to 3:30 p.m.

A public hearing will be held before the Princeton City Council at City Hall on the 1st day of February, 2011, at 12:00 p.m., and any person or persons interested may appear before the Council and be heard as to whether or not the Ordinance shall be put into effect. Council will hear all suggestions, protests and objections to the issuance of the Bond.

Dated this 3rd day of January, 2011

894 1X11 1/4

CERTIFICATE OF PUBLICATION

State of West Virginia,

To-wit:-

County of Mercer,

I, Teresa L. Dye of Princeton Times, a weekly newspaper published in the City of Princeton, Mercer County, West Virginia, do certify that the notice attached hereto under the caption;

was published in the said Princeton Times

Two (2) Time(s)

on the following days, namely; January 21 & 28 in the year 2011.

Publication Fee $101.78

Teresa L. Dye

Subscribed and sworn to before me this 28th day of January 2011.

My Commission expires Dec 16 2018.

Teresa Herald

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
TERESA HERALD
BLUEFIELD DAILY TELEGRAPH
928 BLUEFIELD AVENUE
BLUEFIELD, WV 24701
My commission expires December 16, 2018

City of Princeton

STATE OF WEST VIRGINIA,

COUNTY OF MERCER,

CITY OF PRINCETON, to-wit:

I, Kenneth E. Clay, City Clerk for the City of Princeton, do hereby certify that on 14th day of February, 2011, at a Regular Meeting of the Common Council of the City of Princeton, with a quorum present and acting throughout, the City Council unanimously approved the attached minutes of the January 10, 2011, Regular Meeting of the Common Council of the City of Princeton, Mercer County, West Virginia; a true and correct facsimile of the original document it purports to reproduce.

Dated this the 16th day of February, 2011.

[SEAL]

Kenneth E. Clay
City Clerk

100 Courthouse Road ★ Princeton, West Virginia 24740-2431 ★ (304) 487-5020 ★ Fax (304) 487-5030

EQUAL HOUSING OPPORTUNITY

REGULAR MEETING – CITY COUNCIL
PRINCETON, MERCER COUNTY, WEST VIRGINIA
January 10, 2011

A Regular Meeting of the Common Council of the City of Princeton, Mercer County, West Virginia was held in the Council Chambers of the Municipal Building on Monday, January 10, 2011, at 7:30 p.m. In attendance were Mayor Dewey Russell; Vice Mayor Pat Wilson; Council Members John Wilborn, Marshall Lytton, Chris Stanley, Tim Ealy and Jimm Norman; City Manager Wayne Shumate, City Attorney Paul Cassell and City Clerk Kenneth Clay. A quorum was constituted thereby.

CALL TO ORDER – INVOCATION – PLEDGE OF ALLEGIANCE

Mayor Dewey Russell called the meeting to order. Jimm Norman invoked divine guidance for the conduct of the meeting. Chris Stanley led in the Pledge of Allegiance to the Flag of the United States of America.

PROCLAMATIONS – PRESENTATIONS

None

PUBLIC INPUT

None

CONSENT AGENDA

Without correction, Mayor Russell committed the minutes of the meeting of December 13, 2010, to the permanent record.

POLICY AGENDA

COMMITTEE REPORTS

PUBLIC WORKS AND RECREATION COMMITTEE

Chairman John Wilborn reported that the Public Works and Recreation Committee of Princeton City Council met on January 5, 2011, with the following items to report out to City Council for action or as information:

City Pool Upgrades – In a written report to the City Manager, Recreation Director Amanda McCabe informed that the Recreation Department has received all the estimates for the needed upgrades to the City Pool. These estimates, and all other related information, have been submitted to the City Manager for City Council's consideration.

Program Update – The Recreation Department's Boy's Little League Basketball and Girl's Cheerleading programs are in full swing with games being played five days a week. This basketball season will run through mid-February, ending with a double elimination tournament. The cheerleaders will finish the season with a cheer-dance competition.

Also, the Recreation Center currently is registering for its next four basketball leagues: Boy's High School. Boy's Middle School, and two Girl's Little Leagues. The leagues are set to begin practicing around the end of March. When these leagues begin to play, there will be basketball games at the Recreation Center seven days a week.

Snowflake Dance – The Recreation Center is planning its third Annual Snowflake Dance, tentatively set for Friday, February 4, 2011. This event is a fundraiser for the Department. Two boys from each little league basketball team and two cheerleaders from each cheerleading squad are selected by their teammates as King and Queen candidates. These candidates then will compete for the crown by collecting "penny votes." After this, a dance will be held for all the Little League participants.

New Garbage Truck – Public Works Director Kenny Rose reported that City officials are in the process of drafting bid specifications for the purchase of a new garbage truck in keeping with the Public Works Department's Capital Equipment Plan.

Mr. Rose advised that Public Works' crews have been concentrating efforts on the following projects:

Snow Removal – Crews are servicing all snow removal equipment: trucks, plows and spreaders, in preparation for the next snowstorm. This also involves restocking all roadway treatment materials such as abrasives and salt.

Christmas Decorations – Public Works has begun removing the City's Christmas decorations for storage in the Gilbert Activity Center and, at the same time, will be retrieving residents' discarded Christmas trees at the curb or in the alley, as appropriate.

PUBLIC SAFETY COMMITTEE

Chairperson Pat Wilson reported that the Public Safety Committee of Princeton City Council met on January 5, 2011, with the following items to report out to City Council for action or as information:

Police Department Activity Report – Police Chief Bill Harman reported that the current Administrative Assistant in the Police Department would be retiring at the end of this month. Therefore, the vacant position will be advertised in the near future.

Chief Harman also advised that work is continuing on the Police Department's new interrogation room that is funded through a grant.

Fire Department Activity Report – Fire Chief Shawn Vest report that notification had been received advising of a grant award of $4,000 that will be used to complete the construction of a classroom in the Fire Department's Substation on Oliver Avenue. Also, a washer for bunker gear has been ordered and paid for through another grant of $1,500.

The Fire Chief reported that 125 bicycle helmets had been distributed to children in the City by the Fire Department. In addition, Chief Vest informed he had applied for a $5,000 grant that will be used to reprise a former Fire Department program to supply and install smoke detectors in the homes of qualifying City residents free of charge.

Code Enforcement Activities

Grant Award – Code Enforcement Director Bill Buzzo reported that a grant of $10,000 had been awarded the City by the West Virginia Department of Environmental Protection, through the REAP Program, for the Code Enforcement Department's Recycling Program. The funds will be used to advertise and conduct the City's recycling program that concentrates on dilapidated mobile homes, junk cars and discarded appliances. A key goal of the program is to offer free assistance to citizens while receiving monetary compensation for recycling and reducing costs and deposits to the landfill.

Code Enforcement Recycling Program Totals

Mr. Buzzo provided the following historical statistics:

RECYCLED: 107,864 LBS.
EQUALS: 3,451,648 POP CANS
INCOME: $6,758.84
8 JUNK CARS RECYCLED
25 MOBILE HOMES RECYCLED
30 MOBILE HOMES REMOVED

FINANCE AND ADMINISTRATION COMMITTEE

Chairman Marshall Lytton reported that the Finance and Administration Committee of Princeton City Council met on January 5, 2011, with the following items to report out to City Council for action or as information:

December 2010, Financial Reports – Finance Director Kelly Davis reported that as of the end of December, the sixth month of FY2011, the rate of revenues collected stood at 58.30% (8.32% over estimates) and appropriations were expended at a rate of 46.61% (under estimates by 3.37%). Therefore, the General Fund ended the month of December 2010, ahead of budget estimates by 11.69%.

Mr. Lytton continued by reporting that the Finance and Administration Committee approved and recommended the December 2010, Financial Reports to City Council, **and he so moved.**

Pat Wilson duly seconded the motion.

The motion carried unanimously.

Requisition #28 – Series 2008 Note Trust Fund – A report from Region I Planning and Development Council reflected that Requisition #28, in the amount of $7,954.17, was paid from the **Princeton Sanitary Sewer Design Loan** by check #1065, at $1,454.17, to the WV Municipal Bond Commission for January's interest; and check #1066, at $6,500, to Goodwin & Goodwin, LLP for PSC preparation and filing of legal documents.

Petition of the Sanitary Board to City Council in re: Wastewater Treatment Plant Upgrade Project – The Finance and Administration approved and recommended to City Council, **and Mr. Lytton so moved,** acceptance of a petition from the Princeton Sanitary Board for the enactment of an ordinance authorizing the construction, additions, improvements and betterments to the sewer system of the City and setting forth the loan amount that is estimated at $11,600,000; directing that the City's Sewer Revenue Bond be issued in the amount of $9,100,000; and containing such other provisions as may be necessary to implement and complete the project.

Chris Stanley duly seconded the motion.

The motion carried unanimously.

Pool Repairs' Funding Request – In response to a request by the Recreation Director, the Finance and Administration Committee approved and recommended to City Council, **and Mr. Lytton so moved,** authorization for the expenditure of up to $50,000 from the City's Rainy Day Fund to accomplish the needed repairs and improvements to the City Pool.

Pat Wilson duly seconded the motion.

The motion carried unanimously.

City Council's FY2012 Budget Planning Session – The Finance and Administration Committee reviewed and made no changes to the agenda for City Council's FY2012 Budget Planning Session that will occur on Wednesday, February 9, 2011, beginning at 8:30 a.m., in the Council Chambers of the Municipal Building. The committees of City Council will convene at the conclusion of the budget planning session.

CITY ATTORNEY

First Reading – Series 2011 Sewer Bond Ordinance – City Attorney Paul Cassell presented for a first reading, by title, an ORDINANCE AUTHORIZING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF PRINCETON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $9,100,000 IN AGGREGATE PRINCETON AMOUNT OF ITS SEWER

REVENUE BOND, SERIES 2011 (WV CWSRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNER OF SUCH BOND; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BOND; APPROVING , RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BOND; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BOND; AND ENATING OTHER PROVISIONS RELATING THERETO.

MOTION: Chris Stanley moved City Council accept the Series 2011 Sewer Bond Ordinance on first reading.

John Wilborn duly seconded the motion.

The motion carried unanimously.

CITY MANAGER

City Manager Wayne Shumate remarked that all the department heads looked happy because they are making preparations for their presentations at the upcoming Budget Planning Session.

CITY CLERK

The City Clerk had nothing to present to Council.

DEPARTMENTAL REPORTS

Fire – Lieutenant Sean Wyatt reported that the Fire Departments' new bunker gear washing machine had arrived and was installed today. He also reported that Allen's Furniture had donated all new furniture for the Substation's lounge on Oliver Avenue.

Police – Chief Bill Harman thanked Public Works Director Kenny Rose for his crews' work clearing the City streets of snow. Also, Police Officer Mark Bradley might return to duty on January 25, 2011, if released by his doctor.

COUNCIL ROUNDTABLE

Pat Wilson – Vice Mayor Wilson thanked Kenny Rose and Public Works' crews for the excellent work clearing the snow from City streets. She mentioned that one of her customers, a resident in a neighboring municipality, spoke enviously of Princeton's snow clearance efforts.

Marshall Lytton- Mr. Lytton thanked Kenny Rose and Public Works for snow clearance and also thanked the City Council members for the flowers sent in sympathy at the passing of his mother.

John Wilborn – Mr. Wilborn thanked the Public Works Department, also.

Jimm Norman – Mr. Norman remarked that several persons from outside the City had spoken well of Princeton's snow clearance efforts.

Chris Stanley and Tim Ealy both expressed their agreement as to what had been stated already by their colleagues on the Council.

Mayor Dewey Russell – The Mayor offered condolences to Mr. Lytton regarding the passing of his mother and remarked that she had lived a great, long life.

ADJOURNMENT

There being no further business, Mayor Russell adjourned City Council at 7:48 p.m.

City of Princeton

STATE OF WEST VIRGINIA,

COUNTY OF MERCER,

CITY OF PRINCETON, to-wit:

I, Kenneth E. Clay, City Clerk for the City of Princeton, do hereby certify that on 14th day of February, 2011, at a Regular Meeting of the Common Council of the City of Princeton, with a quorum present and acting throughout, the City Council unanimously approved the attached minutes of the January 18, 2011, Special Meeting of the Common Council of the City of Princeton, Mercer County, West Virginia; a true and correct facsimile of the original document it purports to reproduce.

Dated this the 16th day of February, 2011.

[SEAL]

Kenneth E. Clay
City Clerk

100 Courthouse Road ★ Princeton, West Virginia 24740-2431 ★ (304) 487-5020 ★ Fax (304) 487-5030

EQUAL HOUSING OPPORTUNITY

SPECIAL MEETING – CITY COUNCIL
PRINCETON, MERCER COUNTY, WEST VIRGINIA
January 18, 2011

A Special Meeting of the Common Council of the City of Princeton, Mercer County, West Virginia was held in the Council Chambers of the Municipal Building on Monday, January 18, 2011, at 12:02 p. m. In attendance were Mayor Dewey Russell; Council Members John Wilborn, Marshall Lytton, Chris Stanley, Tim Ealy and Jimm Norman; City Manager Wayne Shumate and City Clerk Kenneth Clay. Absent were Vice Mayor Pat Wilson and City Attorney Paul Cassell. A quorum was constituted thereby.

CALL TO ORDER – INVOCATION – PLEDGE OF ALLEGIANCE

Mayor Russell called the meeting to order. Tim Ealy invoked divine guidance for the conduct of the meeting. Marshall Lytton led in the Pledge of Allegiance to the Flag of the United States of America.

Second Reading of Sewer Revenue Bond Ordinance, Series 2011

Mayor Russell explained that the purpose of this special meeting was to present, for a second reading, the Series 2011 Sewer Revenue Bond Ordinance and called upon City Manager Wayne Shumate to read the ordinance, by title.

City Manager Wayne Shumate presented for a Second Reading, by title, AN ORDINANCE AUTHORIZING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF PRINCETON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THE $9,100,000 IN AGGREGATE PRINCIPAL AMOUNT OF ITS SEWER REVENUE BOND, SERIES 2011 (WV SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNER OF SUCH BOND; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BOND; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BOND; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BOND; AND ENACTING OTHER PROVISIONS RELATING THERETO.

MOTION: Marshall Lytton moved City Council accept the Sewer Revenue Bond Ordinance, Series 2011, on second reading.

Chris Stanley duly seconded the motion.

The motion carried unanimously.

ADJOURNMENT

There being no further business, Mayor Russell adjourned the Special Meeting of City Council at 12:07 p.m.

City of Princeton

STATE OF WEST VIRGINIA,

COUNTY OF MERCER,

CITY OF PRINCETON, to-wit:

I, Kenneth E. Clay, City Clerk for the City of Princeton, do hereby certify that on 14th day of February, 2011, at a Regular Meeting of the Common Council of the City of Princeton, with a quorum present and acting throughout, the City Council unanimously approved the attached minutes of the February 1, 2011, Special Meeting of the Common Council of the City of Princeton, Mercer County, West Virginia; a true and correct facsimile of the original document it purports to reproduce.

Dated this the 16th day of February, 2011.

Kenneth E. Clay

[SEAL] **City Clerk**

100 Courthouse Road ★ Princeton, West Virginia 24740-2431 ★ (304) 487-5020 ★ Fax (304) 487-5030

EQUAL HOUSING OPPORTUNITY

SPECIAL MEETING – CITY COUNCIL
PRINCETON, MERCER COUNTY, WEST VIRGINIA
February 1, 2011

A Special Meeting of the Common Council of the City of Princeton, Mercer County, West Virginia was held in the Council Chambers of the Municipal Building on Tuesday, February 1, 2011, at 12:00 p. m. In attendance were Mayor Dewey Russell; Vice Mayor Pat Wilson; Council Members John Wilborn, Marshall Lytton, Chris Stanley, Tim Ealy and Jimm Norman; City Manager Wayne Shumate, Bond Counsel William Bragg and City Clerk Kenneth Clay. Absent was City Attorney Paul Cassell. A quorum was constituted thereby.

CALL TO ORDER – INVOCATION – PLEDGE OF ALLEGIANCE

Mayor Russell called the meeting to order. Pat Wilson invoked divine guidance for the conduct of the meeting. John Wilborn led in the Pledge of Allegiance to the Flag of the United States of America.

Third Reading and Public Hearing for Sewer Revenue Bond Ordinance, Series 2011

Mayor Russell explained that the purpose of this special meeting was to present for a third reading, by title, conduct a public hearing and consider for adoption the Series 2011 Sewer Revenue Bond Ordinance.

The Mayor called on Bond Counsel William K. Bragg, Jr. to read the Bond Ordinance, by title.

Bond Counsel William Bragg presented for a Third Reading, by title, and Public Hearing AN ORDINANCE AUTHORIZING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF PRINCETON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THE $9,100,000 IN AGGREGATE PRINCIPAL AMOUNT OF ITS SEWER REVENUE BOND, SERIES 2011 (WV SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNER OF SUCH BOND; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BOND; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BOND; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BOND; AND ENACTING OTHER PROVISIONS RELATING THERETO.

Public Hearing – Mayor Russell declared the Public Hearing open at 12:02 p.m.

Bond Counsel Bill Bragg reported that the Series 2011 Bond Ordinance had been approved on first and second readings conducted at meetings of Princeton City Council on January 10 and January 18, 2011, respectively. Also, the Notice of Public Hearing

and the Abstract of the Series 2011 Bond Revenue Ordinance had been published two times, as required by law, in the *Bluefield Daily Telegraph* and the *Princeton Times.*

There being no other comments regarding the proposed Ordinance, Mayor Russell declared the public hearing closed at 12:03 p.m.

MOTION: Marshall Lytton moved City Council adopt the Sewer Revenue Bond Ordinance, Series 2011, on third reading.

Chris Stanley duly seconded the motion.

The motion carried unanimously.

ADJOURNMENT

There being no further business, Mayor Russell adjourned the Special Meeting of City Council at 12:04 p.m.

City of Princeton

STATE OF WEST VIRGINIA,

COUNTY OF MERCER,

CITY OF PRINCETON, to-wit:

I, Kenneth E. Clay, City Clerk for the City of Princeton, do hereby certify that on 14th day of March, 2011, at a Regular Meeting of the Common Council of the City of Princeton, with a quorum present and acting throughout, the City Council unanimously approved the attached minutes of the February 14, 2011, Regular Meeting of the Common Council of the City of Princeton, Mercer County, West Virginia; a true and correct facsimile of the original document it purports to reproduce.

Dated this the 15th day of March, 2011.

Kenneth E. Clay

[SEAL] **City Clerk**

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KENNETH E. CLAY
CITY OF PRINCETON, CITY CLERK
100 COURTHOUSE ROAD
PRINCETON, WV 24740
My commission expires March 21, 2015

REGULAR MEETING – CITY COUNCIL
PRINCETON, MERCER COUNTY, WEST VIRGINIA
February 14, 2011

A Regular Meeting of the Common Council of the City of Princeton, Mercer County, West Virginia was held in the Council Chambers of the Municipal Building on Monday, February 14, 2011, at 7:30 p.m. In attendance were Mayor Dewey Russell; Council Members John Wilborn, Marshall Lytton, Tim Ealy and Jimm Norman; City Manager Wayne Shumate, City Attorney Paul Cassell and City Clerk Kenneth Clay. Absent were Vice Mayor Pat Wilson and Council Member Chris Stanley. A quorum was constituted thereby.

CALL TO ORDER – INVOCATION – PLEDGE OF ALLEGIANCE

Mayor Dewey Russell called the meeting to order. Jimm Norman invoked divine guidance for the conduct of the meeting. Marshall Lytton led in the Pledge of Allegiance to the Flag of the United States of America.

PROCLAMATIONS – PRESENTATIONS

Presentation and Request by Boy Scout Derek Roske – Boy Scout Derek Roske presented a proposal to City Council by which he would satisfy his community service badge and, thereby, earn the rank of Eagle Scout. Specifically, he proposed replacing eighteen dilapidated picnic tables in Princeton City Park by funding the construction of the same through donations obtained from the general public.

Mayor Russell commended Scout Derek Roske for proposing such an admirable project and referred him to Recreation Director Amanda McCabe and Public Works Director Kenny Rose for guidance in beginning his community service project.

PUBLIC INPUT

PUBLIC FORUM – On the resubmission by the City of Princeton of an application for a HUD/Small Cities Block Grant (SCBG) for storm drainage improvements on Stafford Drive and Brick Street in the City.

City Manager Wayne Shumate explained that the purpose of the public forum was to receive public comments and questions related to the City's proposed submission of an application for a HUD/Small Cities Block Grant to fund storm drainage improvements in flood prone sections of Stafford Drive and Brick Street.

Public Hearing – Mayor Russell declared the public hearing open at 7:36 p.m. and called for comments and questions.

Mayor Russell remarked that areas of Stafford Drive are prone to flooding and this latest grant application will be the fourth to the State for the funding to accomplish drainage improvements.

Mr. Shumate remarked that the previous governor had concentrated grant funding in other problem areas such as public water systems.

There being no additional comments forthcoming, Mayor Russell closed the public hearing at 7:37 p.m.

CONSENT AGENDA

Without correction or objection, from Council Members, Mayor Russell declared the Consent Agenda approved, as follows:

A. Approval of the Minutes of the January 10, 2011, Regular Meeting.
B. Approval of the Minutes of the January 18, 2011, Special Meeting.
C. Approval of the Minutes of the February 1, 2011, Special Meeting.

POLICY AGENDA

COMMITTEE REPORTS

PUBLIC WORKS AND RECREATION – Chairman John Wilborn reported that the Public Works and Recreation Committee did not meet in February due to City Council's daylong Budget Planning Session.

PUBLIC SAFETY COMMITTEE

Reporting in the absence of Chairperson Pat Wilson, Jimm Norman reported that the Public Safety Committee of Princeton City Council met in the Council Chambers of the Municipal Building on Wednesday, February 9, 2011, with the following to report out to City Council as information:

Police Dept. Digital Fingerprinting System – Police Chief Bill Harman had reported to the Public Safety Committee that the Police Department's new digital fingerprinting system is up and operational. This system enables the immediate transfer of a defendant's fingerprint information to the State Police Criminal Investigation Bureau in Charleston, WV.

Traffic Lights at Mercer Street and Park Avenue – The Committee had discussed the continuing difficulties with the timing of the traffic lights at the intersection of Mercer Street and Park Avenue. The left turn signal to Park Avenue from Mercer Street does not initiate for long periods of time and the controller, located in Charleston, will not acknowledge that a problem exists in the functioning of the lights. Police Chief Bill Harman and Vice Mayor Pat Wilson assured they would continue their efforts to resolve the matter.

FINANCE AND ADMINISTRATION COMMITTEE

Chairman Marshall Lytton reported that the Finance and Administration Committee of Princeton City Council met in the Council Chambers of the Municipal Building on

Wednesday, February 9, 2011, with the following items to report out to City Council for action or as information:

January 2011, Financial Statements – Finance Director Kelly Davis had reported that as of the end of January, the seventh month of FY2011, the rate of revenues collected stood at 69.16% (10.85% over estimates) and appropriations were expended at a rate of 51.99% (under estimates by 6.32%). Therefore, the General Fund ended the month of January 2011, ahead of budget estimates by 17.17%.

Mr. Lytton continued by reporting the Finance and Administration approved and recommended the January 2011, Financial Reports to City Council, **and he so moved.**

John Wilborn duly seconded the motion.

The motion carried unanimously with no further discussion.

Budget Revision #4 to the FY2011 General Fund – The Finance Director had presented and explained that Budget Revision #4 to the FY2011 General Fund is required to appropriate additional, anticipated revenue during the current budget cycle. Therefore, this revision increases estimated revenues by $95,069. This amount includes $31,716 in anticipated grant funding and $50,000 as a transfer from the Rainy Day Fund for pool repairs. The remaining $13,353 reflects minor adjustments to various revenue lines. The adjustments bring the General Fund revenue projections for FY2011 to $7,626,096. The revision also increases expenditures by $95,069, bringing the total General Fund appropriations for FY2011 to $7,626,096, thereby creating a balanced budget.

Mr. Lytton continued by reporting that the Finance and Administration Committee approved and recommended Budget Revision #4 to the FY2011 General Fund, **and he so moved.**

Jimm Norman duly seconded the motion.

The motion carried unanimously without further discussion.

Supplemental Resolution – Series 2011 Sewer Revenue Bond – The Finance and Administration Committee approved and recommended to City Council, **and Mr. Lytton so moved,** a Supplemental Resolution to the Series 2011 Sewer Revenue Bond Ordinance, as follows:

SEWER REVENUE BOND, SERIES 2011
(WV SRF PROGRAM)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, PAYMENT SCHEDULE, SALE PRICE AND OTHER TERMS OF THE CITY OF PRINCETON, SEWER REVENUE BOND, SERIES 2011 (WV SRF PROGRAM); AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF THE SERIES 2011 BOND TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; AND MAKING OTHER PROVISIONS AS TO THE BOND.

WHEREAS, the City Council (the "Governing Body") of the City of Princeton (the "Issuer") has duly and officially enacted a Bond Ordinance on February 1, 2011 (the "Ordinance"), entitled:

ORDINANCE AUTHORIZING THE PAYMENT OF THE CITY'S SEWER BOND ANTICIPATION NOTE, SERIES 2008, THE ACQUISTIION, CONSTRUCTION AND EQUIPPING OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF PRINCETON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $9,100,000 IN AGGREGATE PRINCIPAL AMOUNT OF ITS SEWER REVENUE BOND, SERIES 2011 (WV CWSRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNER OF SUCH BOND; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BOND; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BOND; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BOND; AND ENACTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Ordinance provides for the issuance of the Sewer Revenue Bond, Series 2011 (WV SRF Program), of the Issuer, in an aggregate principal amount not to exceed $9,100,000 (the "Bond"), all in accordance with Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"); and in the Ordinance it is provided that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Bond should be established by a supplemental resolution, and that other matters relating to the Bond be therein provided for;

WHEREAS, the Bond is proposed to be purchased by the West Virginia Water Development Authority, for the benefit of the West Virginia Department of Environmental Protection (the "Authority") pursuant to its commitment letter;

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Bond be fixed hereby in the manner stated herein, and that other matters relating to the Bond be herein provided for; and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Ordinance.

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

Section 1. Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the following Bond of the Issuer:

Sewer Revenue Bond, Series 2011 (WV SRF Program), of the Issuer, originally represented by a single bond, numbered R-1, in the original principal amount of $9,100,000. The Series 2011 Bond shall be dated the date of delivery, shall finally mature December 1, 2042, and shall bear interest at the rate of 0% per annum, plus an administrative fee of .5% per annum. The principal of and interest on the Series 2011 Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2013, in the amounts set forth in the Schedule Y attached to the Agreement and incorporated in and made a part of the Series 2011 Bond. The Series 2011 Bond shall be subject to redemption upon the written consent of the Authority and DEP, and upon payment of the redemption premium, if any, and otherwise in compliance with the Agreement, so long as the Authority shall be the Registered Owner of the Series 2011 Bond.

Section 2. All other provisions relating to the Series 2011 Bond and the text of the Series 2011 Bond shall be in substantially the form provided in the Ordinance.

Section 3. The Issuer hereby ratifies, approves and accepts the Agreement, including all schedules and exhibits attached thereto, a copy of which is incorporated herein by reference and the form of which is attached hereto and incorporated herein as Exhibit A, and the execution and delivery of the Agreement by the Mayor and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed. The Issuer hereby affirms all covenants and representations made in the Agreement and in the applications to DEP and the Authority.

The price of the Series 2011 Bond shall be 100% of par value, bearing interest at the rate of zero percent (0%) per annum, plus an administrative fee of one half of one percent (.5%) per annum, provided that the proceeds of the Series 2011 Bond shall be

advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer hereby appoints and designates First Community Bank, N.A., Bluefield, West Virginia, to serve as Registrar (the "Registrar") for the Series 2011 Bond under the Ordinance and approves and accepts the Registrar's Agreement to be dated the date of delivery of the Series 2011 Bond, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed and approved.

Section 5. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Commission"), to serve as Paying Agent for the Series 2011 Bond under the Ordinance.

Section 6. The Issuer hereby appoints and designates First Community Bank, N.A. to serve as Depository Bank for the Revenue Fund, the Renewal and Replacement Fund and the Series 2011 Construction Trust Fund.

Section 7. An amount of $468,693.87 shall be deposited on the closing date with the Municipal Bond Commission to pay in full the Series 2008 Note.

Section 8. The proceeds of the Series 2011 Bond, as advanced from time to time, shall be deposited in or credited to the Series 2011 Construction Trust Fund, as received by the Issuer for payment costs of the Project, including costs of issuance of the Series 2011 Bond.

Section 9. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 2011 Bond hereby and by the Ordinance approved and provided for, to the end that the Series 2011 Bond may be delivered to the Authority pursuant to the Bond Purchase Agreement on March 3, 2011.

Section 10. The acquisition and construction of the Project, the payment of the Series 2008 Note and the financing thereof in part with proceeds of the Series 2011 Bond are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 11. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Ordinance held by the Depository Bank until expended, in money market accounts secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to invest all moneys in such money market accounts until further directed in writing by the Issuer. Moneys in the Sinking Funds and the Reserve Accounts for the Series 2011 Bond shall be invested by the Commission in

the West Virginia Consolidated Fund.

Section 12. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project and the Mayor is hereby authorized and directed to execute and deliver all such contracts.

Section 13. The Issuer hereby approves the costs of issuance and authorizes the payment of the same.

Section 14. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 14th day of February, 2011.

Dewey W. Russell, Mayor

John Wilborn duly seconded the motion.

The motion carried unanimously without further discussion.

Resolution Authorizing HUD/SCBG Application – The Finance and Administration Committee approved and recommended to City Council, **and Mr. Lytton so moved,** a resolution authorizing the submission of an application to the State of West Virginia HUD/Small Cities Block Grant Program to fund drainage improvements in and around Stafford Drive and designating the City Manager to act in connection with the application, as follows:

RESOLUTION

WHEREAS, the City of Princeton wishes to submit an application with the State/HUD SCBG Program to request funding for drainage improvements in and around the Stafford Drive area; and

WHEREAS, the City of Princeton must give assurances that the Regulations related to grant administration, civil rights, and other applicable State and Federal laws will be followed; and

WHEREAS, the City of Princeton, as applicant, must designate an official representative to act in connection with the application and execute all necessary program documents.

NOW, THEREFORE, BE IT HEREBY RESOLVED THAT:

1. The City of Princeton authorized the submission of an application to the State HUD/SCBG Program to be submitted to the State of West Virginia for drainage improvements in and around the Stafford Drive area.

2. The City of Princeton, as applicant, will comply with all laws and regulations pertaining to the program.

3. Wayne C. Shumate, City Manager of the City of Princeton, is designated as the authorized official to act in connection with the application.

Dewey W. Russell, Mayor

Tim Ealy duly seconded the motion.

The motion carried unanimously without further discussion.

Six Resolutions Authorizing Applications for Community Participation Grants – The Finance and Administration Committee approved and recommended to City Council, **and Mr. Lytton so moved,** authorization for the City Manager to submit six applications to the West Virginia Development Office for Local Economic Assistance Program funds for City projects and that he be empowered to sign the applications and any agreements necessary to obtain the funds, as follow:

RESOLUTION

WHEREAS, one thousand five hundred dollars ($1,500) in Local Economic Assistance Program funding was set aside by the West Virginia Legislature for the City of Princeton to undertake a project (Project Number: 11LEDA0612); and

WHEREAS, an application for these funds must be made to the West Virginia Development Office; and

WHEREAS, the Local Economic Assistance Program requires that a local government unit sponsor said application.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF PRINCETON, WEST VIRGINIA, that the City Manager be authorized to make application for one thousand five hundred dollars ($1,500) in Local Economic Assistance Program funds for the **Princeton Autumnfest-Equipment and Promotion** and that he be empowered to sign the application and any agreement necessary to obtain these funds.

Dated this the 14th day of February, 2011.

Dewey W. Russell, Mayor

RESOLUTION

WHEREAS, two thousand five hundred dollars ($2,500) in Community Participation Program funding was set aside by the West Virginia Legislature for the City of Princeton to undertake a project (Project Number: 11LEDA0613); and

WHEREAS, an application for these funds must be made to the West Virginia Development Office; and

WHEREAS, the Community Participation Program requires that a local government unit sponsor said application.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF PRINCETON, WEST VIRGINIA, that the City Manager is authorized hereby to make application for two thousand five hundred dollars ($2,500) in Community Participation Program funds for **City of Princeton Crosswalks** and that he be empowered to sign the application and any agreement necessary to obtain these funds.

Dated this the 14th day of February, 2011.

Dewey W. Russell, Mayor

RESOLUTION

WHEREAS, five thousand dollars ($5,000) in Community Participation Program funding was set aside by the West Virginia Legislature for the City of Princeton to undertake a project (Project Number: 11LEDA0614); and

WHEREAS, an application for these funds must be made to the West Virginia Development Office; and

WHEREAS, the Community Participation Program requires that a local government unit sponsor said application.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF PRINCETON, WEST VIRGINIA, that the City Manager is authorized hereby to make application for five thousand dollars ($5,000) in Community Participation Program funds for the **City of Princeton Demolition Project** and that he be

empowered to sign the application and any agreement necessary to obtain these funds.

Dated this the 14th day of February, 2011.

Dewey W. Russell, Mayor

RESOLUTION

WHEREAS, two thousand dollars ($2,000) in Community Participation Program funding was set aside by the West Virginia Legislature for the City of Princeton to undertake a project (Project Number: 11LEDA0615); and

WHEREAS, an application for these funds must be made to the West Virginia Development Office; and

WHEREAS, the Community Participation Program requires that a local government unit sponsor said application.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE COMMON COUNCIL OF THE CITY OF PRINCETON, WEST VIRGINIA, that the City Manager is authorized hereby to make application for two thousand dollars ($2,000) in Community Participation Program funds for the **City of Princeton Street Fair-Equipment, Staging, and Promotion** and that he be empowered to sign the application and any agreement necessary to obtain these funds.

Dated this the 14th day of February, 2011.

Dewey W. Russell, Mayor

RESOLUTION

WHEREAS, four thousand five hundred dollars ($4,500) in Community Participation Program funding was set aside by the West Virginia Legislature for the City of Princeton to undertake a project (Project Number: 11LEDA0616); and

WHEREAS, an application for these funds must be made to the West Virginia Development Office; and

WHEREAS, the Community Participation Program requires that a local government unit sponsor said application.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF PRINCETON, WEST VIRGINIA, that the City Manager is authorized hereby to make application for four thousand five hundred dollars ($4,500) in Community Participation Program funds for the **City of Princeton Recreation Center Restrooms** and that he be empowered to sign the application and any agreement necessary to obtain these funds.

Dated this the 14th day of February, 2011.

Dewey W. Russell, Mayor

RESOLUTION

WHEREAS, four thousand dollars ($4,000)in Community Participation Program funding was set aside by the West Virginia Legislature for the City of Princeton to undertake a project (Project Number: 11LEDA0626); and

WHEREAS, an application for these funds must be made to the West Virginia Development Office; and

WHEREAS, the Community Participation Program requires that a local government unit sponsor said application.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF PRINCETON, WEST VIRGINIA, that the City Manager is authorized hereby to make application for four thousand dollars ($4,000) in Community Participation Program funds for the **City of Princeton-Police Department Surveillance Equipment** and that he be empowered to sign the application and any agreement necessary to obtain these funds.

Dated this the 14th day of February, 2011.

Dewey W. Russell, Mayor

Jimm Norman duly seconded the motion.

The motion carried unanimously without further discussion.

Appointment of Ballot Commissioners for the 2011 City Election – The Finance and Administration Committee approved and recommended to City Council, **and Mr. Lytton so moved,** the appointment of the following individuals to serve with the City Clerk as Ballot Commissioners for the City of Princeton's 2011 At-Large Council Election:

a. Joyce Ball – 219 Center Street (D)
b. James Juhl – 214 Middlesex Avenue (R)

Jimm Norman duly seconded the motion.

The motion carried unanimously without further discussion.

State of West Virginia Purchasing Card – The Finance and Administration Committee approved and recommended to City Council, **and Mr. Lytton so moved,** authorization for City officials to use for City purchases, on a trial basis, a purchasing card through the State of West Virginia Auditors' Office. The program offers a return of 1.05% on purchases made with the card.

John Wilborn duly seconded the motion.

The motion carried unanimously without further discussion.

Payment Request #1 – Sewer Plant Upgrade Project – The City Council received a report from Region I Planning and Development Council detailing Payment Request #1 by the City of Princeton to the WV Department of Environmental Protection for the **City of Princeton's Sewer Wastewater Treatment Plant Upgrade Project,** in the amount of $542,508, for costs related to the design loan and other project related costs the must be paid at the loan closing. (This report is provided for entry into the record.)

DEPARTMENTAL REPORTS

Police – Police Chief W. L. Harman reported that the newly installed digital fingerprinting system, within ten minutes of entry into the system, had identified an arrest who had presented a false identity to police officers.

COUNCIL ROUNDTABLE

Marshall Lytton – Mr. Lytton congratulated Boy Scout Derek Roske on his new community service project and offered him any assistance necessary to complete the project.

John Wilborn – Mr. Wilborn commended Scout Roske on his presentation and proposed project to earn his last badge toward the rank of Eagle Scout.

Jimm Norman – Mr. Norman thanked the City Manager and Public Works Director for their assistance on a matter he had brought to their attention this same day.

Mayor Dewey Russell – Mayor Russell also thanked the City Manager for his assistance on another matter. The Mayor commended Public Works Director Kenny Rose and his crews for the excellent condition of the main streets in the City last weekend after crews

had cleaned gravel and debris deposited thereon during the recent snowstorms.

ADJOURNMENT

On the motion of Marshall Lytton and a second by John Wilborn, followed by a unanimous vote, Mayor Russell declared the City Council meeting adjourned at 7:52 p.m.

COPY

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February 25, 2011

Ms. Sara Boardman, Executive Director
West Virginia Municipal Bond Commission
1207 Quarrier Street, Suite 401
Charleston, WV 25301

Re: $9,100,000 City of Princeton
Sewer Revenue Bond, Series 2011 (WV SRF Program)

Dear Ms. Boardman:

Enclosed please find the New Issue Report Form that has been prepared in connection with the above-referenced transaction and sent to you for filing in your office in regard to the same. Upon completion of the transcript, we will forward a bound copy to you for your reference. In the meantime, if you have any questions concerning this transaction, please feel free to contact me.

In addition, enclosed is a Receipt for you to sign upon your receipt of $468,693.87 on March 3, 2011, in payment of the amount outstanding on the City of Princeton, Sewer Bond Anticipation Note, Series 2008. Please sign 3 copies of the Receipt and return them to me.

Thank you for your assistance with this matter.

Sincerely yours,

Bill Bragg

William K. Bragg, Jr.

WKB/aks
Enclosure

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

NEW ISSUE REPORT FORM
Date of Report: March 1, 2011

ISSUE: City of Princeton
Sewer Revenue Bond, Series 2011
(WV SRF Program)
ADDRESS: 100 Courthouse Road
Princeton, WV 24740
COUNTY: Mercer
PURPOSE: New Money X
OF ISSUE: Refunding X
Refunds issue dated: July 22, 2008
ISSUE DATE: March 3, 2011
CLOSING DATE: March 3, 2011
ISSUE AMOUNT: $9,100,000
RATE: 0% (0.5% administrative fee)
1ST DEBT SERVICE DUE: 3/1/13
1ST PRINCIPAL DUE: 3/1/13
1ST DEBT SERVICE AMOUNT: $87,209.00
PAYING AGENT: City of Princeton

BOND COUNSEL: Goodwin & Goodwin, LLP
Contact Person: W.K. Bragg, Jr.
Phone: (304) 346-7000

LENDER: West Virginia Department of Environmental Protection
Contact Person: Rosalie Brodersen
Position: Assistant Program Manager
Phone: (304) 926-0496 Ext. 1608

KNOWLEDGEABLE ISSUER CONTACT:
Contact Person: Wayne Shumate
Position: City Manager
Phone: (304) 487-5020

----------DEPOSITS TO MBC AT CLOSE:----------

___ Accrued Interest: $ 0
___ Capitalized Interest: $ 0
By _X_ Wire ___ Reserve Account: $ 0
___ Check _X_ Other: $468,694.00 to repay $500,000 City of Princeton, Sewer Bond Anticipation Note, Series 2008

----------REFUNDS & TRANSFERS BY MBC AT CLOSE:----------

___ To Escrow Trustee: $ N/A
By ___ Wire ___ To Issuer: $ N/A
___ Check ___ To Cons. Invest. Fund: $ N/A
___ IGT ___ Other:

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS
REQUIRED: _____
TRANSFERS
REQUIRED: _____

$9,100,000
CITY OF PRINCETON
SEWER REVENUE BOND, SERIES 2011
(WEST VIRGINIA SRF PROGRAM)

ACCEPTANCE OF APPOINTMENT OF DEPOSITORY BANK

First Community Bank, N.A., at its office located in Princeton, Mercer County, West Virginia, hereby accepts appointment as Depository Bank in connection with an Ordinance of the City of Princeton (the "City") duly enacted by the City Council of the City (the "Council") and effective on February 1, 2011, as supplemented by a Supplemental Resolution duly adopted by the Council and effective on February 14, 2011 (collectively, the "Ordinance"), authorizing issuance of City of Princeton, Sewer Revenue Bond, Series 2011 (West Virginia SRF Program), dated March 3, 2011, in the aggregate principal amount of $9,100,000, and agrees to perform all duties of Depository Bank as set forth in the Ordinance.

Witness my signature as of the 3rd day of March, 2011.

FIRST COMMUNITY BANK, N.A.

By: _____
Vice President

$9,100,0000
CITY OF PRINCETON
SEWER REVENUE BOND, SERIES 2011
(WV SRF PROGRAM)

ACCEPTANCE OF APPOINTMENT OF REGISTRAR

First Community Bank, N.A., at its office located in Bluefield, Mercer County, West Virginia, hereby accepts appointment as Registrar in connection with an Ordinance of City of Princeton (the "City") duly enacted by the City Council of the City (the "Council") on February 1, 2011, and supplemented by a Supplemental Resolution adopted by the Issuer on February 14, 2011 (collectively, the "Ordinance"), authorizing the issuance of City of Princeton, Sewer Revenue Bond, Series 2011 (WV SRF Program), dated March 3, 2011, in the principal amount of $9,100,000, and agrees to perform all duties of Registrar as set forth in the Ordinance.

Witness my signature as of the 3rd day of March, 2011.

FIRST COMMUNITY BANK, N.A.

By: _____
Vice President

$9,100,0000
CITY OF PRINCETON
SEWER REVENUE BOND, SERIES 2011
(WV SRF PROGRAM)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 3rd day of March, 2011, by and between CITY OF PRINCETON, a municipality, public corporation and political subdivision duly created under the laws of the State of West Virginia (the "Issuer"), and FIRST COMMUNITY BANK, N.A., at its office located in Bluefield, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $9,100,000 aggregate principal amount of Sewer Revenue Bond, Series 2011 (WV SRF Program) in fully registered form (the "Bond") pursuant to a Bond Ordinance enacted by the Issuer on February 1, 2011, as amended by a Supplemental Resolution adopted by the Issuer on February 14, 2011 (collectively, the "Ordinance");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Ordinance, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Ordinance provides for the appointment by the Issuer of a Registrar for the Bond; and

WHEREAS, the Issuer desires to appoint, and by the Ordinance and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Ordinance and to take certain other actions hereinafter set forth.

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of the Registrar, all as set forth in the Ordinance, such duties including, among other things, the duties to authenticate, register and deliver the Bond upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Bond from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

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

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

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation heretofore agreed by the parties and set forth in the attached invoice.

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

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

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

ISSUER: City of Princeton
Attention: City Manager
100 Courthouse Road
Princeton, WV 24740

REGISTRAR: First Community Bank, N.A.
Attention: Diana S. Coulthard
P.O. Box 950
211 Federal Street
Bluefield, WV 24701-0950

8. The Registrar is hereby requested and authorized to register, authenticate and deliver the Bond in accordance with the Ordinance and instructions provided by the Issuer.

IN WITNESS WHEREOF, CITY OF PRINCETON and FIRST COMMUNITY BANK, N.A. have caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day, month and year first above-written.

CITY OF PRINCETON

By: _____
Mayor

FIRST COMMUNITY BANK, N.A.

By: _____
Vice President

Exhibit A

(Bond Ordinance)

$9,100,0000
CITY OF PRINCETON
SEWER REVENUE BOND, SERIES 2011
(WV SRF PROGRAM)

CERTIFICATE OF REGISTRATION

I, Samuel G. Hill as Vice President, of First Community Bank, N.A., as Registrar (the "Registrar"), under a Registrar's Agreement between the Registrar and the City of Princeton (the "City") dated as of the date hereof, hereby certify that on the 3rd day of March, 2011, the Bond of the City in the principal amount of $9,100,000, designated "City of Princeton, Sewer Revenue Bond, Series 2011 (WV SRF Program)", numbered R-1, and dated as of the date hereof, was registered as to principal only in the name of "The West Virginia Water Development Authority", on the books of the Registrar kept for that purpose at our office, by a duly authorized officer on behalf of the Registrar.

WITNESS my signature as of the 3rd day of March, 2011.

FIRST COMMUNITY BANK, N.A., as Registrar

By: _____
Vice President

Ordinance No. _____

Introduced in Council
August 5, 1996

Passed by Council
August 19, 1996

Introduced by
Mr. Dewey Russell

Referred to
_____

An Ordinance authorizing issuance of $1,015,000 in principal amount of 1996 Sewer Revenue Refunding Bonds of the City of Princeton to, along with other funds and moneys of, or available to, the City of Princeton which may be lawfully expended for such purpose, make provision for the refunding of all outstanding sewer revenue bonds of the City of Princeton, providing for the rights, remedies and security for the holders of such 1996 Sewer Revenue Refunding Bonds and adopting other provisions related thereto.

Be It Ordained by the Council of the City of Princeton, West Virginia:

ARTICLE I

STATUTORY AUTHORITY FINDINGS AND DEFINITIONS

Section 1.01. Authority of this Ordinance. This Ordinance is adopted pursuant to the provisions of Article 13 of Chapter 16 of the Code of West Virginia of 1931, as amended (the "Act"), and other applicable provisions of law.

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

A. The City of Princeton (the "City"), now owns a sewer system (the "System") for the collection and disposal of sewage, the custody administration, operation and maintenance of which System, both within and without the corporate limits of the City, is under the supervision and control of The Sanitary Board of the City.

B. The acquisition and construction of certain additions, extensions and improvements to the System have been financed by the proceeds from $1,350,000 in principal amount of Sewer Revenue Bonds of the City dated May 1, 1975 (the "1975 Bonds") issued pursuant to an ordinance of the City adopted on June 2, 1975 (the "1975 Ordinance") which 1975 Bonds were refunded by the City's Sewer Revenue Refunding Bonds, dated July 1, 1977 (the "1977 Bonds") issued pursuant to an Ordinance dated July 18, 1977 (the "1977 Ordinance") in the original principal amount of $1,535,000, of which $1,035,000 are currently outstanding.

C. That the City will realize savings by refunding the 1977 Bonds as herein provided and that the 1977 Ordinance contains certain limitations and restrictions which need to be modified.

D. The estimated revenues to be derived in each year after the adoption of this Ordinance from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Bonds authorized to be issued pursuant to this Ordinance and all sinking fund, reserve and other payments provided for in this ordinance.

Section 1.03. Ordinance Constitutes Contract. In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the City and such Bondholders, and the covenants and agreements herein set forth to be performed by said City shall be for the equal benefit, protection and security of the legal holders of any and all of such Bonds issued hereunder, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and the coupons thereon and any other Bonds and the coupons thereon by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" shall mean Article 13 of Chapter 16 of the Code of West Virginia, 1931, as amended, and in effect on the date of adoption of this Ordinance.

"Bonds" shall mean the $1,015,000 1996 Sewer Revenue Refunding Bonds, originally authorized to be issued pursuant to this Ordinance, and any pari passu additional Bonds hereafter issued within the terms, restrictions and conditions contained in this Ordinance and the interest coupons to said Bonds.

"Bondholder" or "Holder of the Bonds" or any similar term shall mean any person who shall be the registered owner of any outstanding Bond or Bonds.

"City" shall mean the City of Princeton, a municipal corporation of the State of West Virginia, and where appropriate, the City Council and/or Sanitary Board of the City.

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

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national banking association located in the State of West Virginia, eligible under the laws of the State of West Virginia to receive

deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the City as Depository Bank.

"DTC-eligible" means, with respect to any Bonds issued hereunder, meeting the qualifications prescribed by the Depository Trust Company, New York, New York.

"Escrow Agent" means the escrow agent under the Escrow Agreement, which shall be appointed pursuant to a resolution supplemental hereto.

"Escrow Agreement" shall mean the agreement between the City and the Commission in the form of the agreement to be attached as an exhibit.

"Fiscal Year" shall mean each twelve month period beginning on July 1 and ending on the succeeding June 30.

"Government Obligations" means direct and general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidences of ownership of proportionate interests in future interest and principal payments of such obligations; provided that, investments in such proportionate interests shall be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying, United States obligations; and (c) the underlying United States obligations are held in a special account separate from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

"Gross Revenues" shall mean all rates, rents, fees, charges or other income (including, without limitation, sale proceeds) received by or accrued to the City from the operation of the System, as calculated in accordance with generally accepted accounting practices.

"Independent CPAs" shall mean any firm of certified public accountants which shall be retained by the City as independent accountants for the System.

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

"Operating Expenses", unless qualified, shall mean the current expenses, paid or accrued, of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, insurance premiums, supplies, labor, wages, the cost of materials and supplied used for current operations and administrative expenses of the City

or the Sanitary Board relating and chargeable to the System, and such other reasonable operating costs and expenses as should normally and regularly be included under recognized accounting principles.

"Original Purchaser" means First Century Bank, N.A.

"Paying Agent" means the Registrar and any other paying agent for the Series 1996 Bonds which may be appointed by a resolution supplemental hereto, all in accordance with Section 9.12 hereof.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

"Purchase Price," for the purpose of computation of the Yield of the Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Bonds of each maturity is sold or, if the Bonds are privately placed, the price paid by the first buyer of the Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Bonds.

"Qualified Investments" means and includes any of the following:

(a) Government Obligations;

(b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;

(c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks;

Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

(d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

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

(h) The West Virginia "consolidated fund" managed by the West Virginia State Board of Investments pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended; and

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

"Registrar" means the bank to be designated in the Supplemental Resolution as the Registrar for the Bonds, and any successor thereto appointed in accordance with Section 9.08 hereof.

"Regulations" means temporary and permanent regulations promulgated under the Code, and includes applicable regulations promulgated under the Internal Revenue Code of 1986.

"Reserve Account Requirement" means $53,082.50.

"Sanitary Board" means The Sanitary Board of the City of Princeton, West Virginia, as created and appointed by Ordinance hereto adopted by the Council of the City of Princeton, pursuant to the provisions of the Act, and shall include the membership of the Board as may hereafter be duly constituted as the legal successors to the present membership, or any other agency or department or instrumentality of the City which shall at any time have jurisdiction, possession or control of the System, or the management and operation thereof.

"Supplemental Resolution" means any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution to be adopted by the City following enactment of this Ordinance, setting forth the amounts, maturities, interest rates and other terms of the Bonds and authorizing the sale of the Bonds to the Original Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"System" shall mean the complete existing sewer system and works now owned by the City for the collection and/or treatment, purification and disposal of sewage, in its entirety or any integral part thereof, and shall include any additions, extensions and improvements thereto hereafter constructed or acquired for said sewer system from any sources whatsoever, both within and without said City.

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 II

AUTHORIZATION OF REFUNDING

Section 2.01. Authorization of Refunding. All 1977 Bonds outstanding as of the date of issuance of the Bonds in the aggregate principal amount of $1,035,000, are hereby ordered to be refunded pursuant to the terms of the Escrow Agreement, and the pledge of Net Revenues in favor of the Holders of such refunded 1977 Bonds imposed by the 1977 Ordinance, the moneys in the funds and accounts created by the 1977 Ordinance and any other funds pledged by the 1977 Ordinance thereto are hereby ordered terminated, discharged and released upon the payment into the Escrow Fund from the proceeds of the Bonds, together with other moneys available therefor, of the following: (a) if required by the Escrow Agreement, an amount equal to the fiscal and paying agent charges and the Escrow Agent charges to become due and payable in connection with the 1977 Bonds and (b) an amount which will be simultaneously invested in Government Obligations bearing interest and having maturities sufficient, together with certain cash which may also be deposited, to provide for the payment of the principal of and interest on such 1977 Bonds as the same

become due to the respective serial maturity dates thereof, but in no event beyond the first date upon which the entire aggregate amount of the 1977 Bonds shall be redeemed, being October 1, 1996, all as set forth in the Escrow Agreement. Contemporaneously with the deposit of such Bond Proceeds into the Escrow Fund, the amounts on deposit in the sinking fund, including the reserve account therein, and all other funds and accounts created and maintained on behalf of the 1977 Bonds shall be deposited in the Escrow Fund, the Reserve Account or such other fund or account as shall be set forth in the Escrow Agreement, and invested as provided in the Escrow Agreement and this Ordinance.

ARTICLE III

THE BONDS

Section 3.01. Form and Payment of Bonds. No Bonds shall be issued pursuant to this Ordinance except as provided in this Article III. Any Bonds issued pursuant to this Ordinance after the issuance of the Bonds, as hereinafter provided, may be issued only as fully registered Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity. All Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Bonds shall be in default, Bonds issued in exchange for Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Bonds surrendered.

The principal of and the premium, if any, on the Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of $500,000 or more of the Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

In the event any Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the City shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Bond in the principal amount of said Bond then Outstanding.

Section 3.02. Execution of Bonds. The Bonds shall be executed in the name of the City by the Mayor, by his manual or facsimile signature, and the seal of the City shall be

affixed thereto or imprinted thereon and attested by the Clerk by his or her manual or facsimile signature; provided, that, all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the City before the Bonds so signed and sealed have been sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Bonds shall hold the proper office in the City, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in EXHIBIT A attached hereto and incorporated herein by reference with respect to the Bonds, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder, in accepting any of said Bonds, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Bonds. Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Bond, there shall be issued at the option of the Holder or the transferee another Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Bond and of the same series, interest rate and maturity of said transferred Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his

attorney or legal representative duly authorized in writing, Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Bonds of the same series, maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Bond is exercised, Bonds shall be delivered in accordance with the provisions of this Ordinance. All Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Bonds, the initial exchange of Bonds and exchanges of Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Bonds, the Registrar may impose a service charge. For every such transfer or exchange of bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the City may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Bond of like series, maturity and principal amount as the Bond, so mutilated, destroyed, stolen or lost, in exchange and upon surrender and cancellation of, such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing the City and the Registrar proof of his ownership thereof and that said Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the City or the Registrar may prescribe and paying such expenses as the City or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the City. If such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the City, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen or destroyed, without surrender therefor.

Any such duplicate Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the City, whether or not the lost, stolen or destroyed Bonds be at any time found by any one, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the Revenues pledged herein with all other Bonds issued hereunder.

Section 3.06. Notice of Redemption. Unless waived by any Holder of the Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the City by mailing a copy of an official redemption notice by registered or certified mail

at least 30 days and not more than 60 days prior to the date fixed for redemption to the Original Purchaser and the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state:

(1) The redemption date,

(2) The redemption price,

(3) If less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(4) That on the redemption date the Redemption Price and interest accrued will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Registrar, and

(6) Such other information, if any, as shall be required for DTC-Eligible Bonds.

Prior to any redemption date, the City shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the redemption price installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Bonds, and failure to mail such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

Section 3.07. Persons Treated as Owners. The City, the Registrar and any agent of the City or the Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of the principal of, and interest on, such Bond and for all other purposes, whether or not such Bond is overdue.

Section 3.08. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the City may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the City shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in registered form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.09. Bonds. For the purposes of refunding all of the Outstanding 1977 Bonds of the City, funding the Reserve Account and paying costs in connection therewith, there shall be issued the Bonds of the City, in an aggregate principal amount of not more than $1,500,000. Said Bonds shall be designated "Sewer Revenue Refunding Bonds, Series 1996" and shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof for any year of maturity, not exceeding the aggregate principal amount of Bonds maturing in the year of maturity for which the denomination is to be specified. The Bonds shall be numbered from R-1 consecutively upward. The Bonds shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the City shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Delivery of Bonds. The City shall execute and deliver the Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Bonds to the Original Purchaser upon receipt of the documents set forth below:

(A) A list of the names in which the Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(B) A request and authorization to the Registrar on behalf of the City, signed by an Authorized Officer, to authenticate and deliver the Bonds to the Original Purchaser;

(C) Copies, certified by the Clerk of this Ordinance and the Supplemental Resolution;

(D) The unqualified approving opinion upon the Bonds by Bond Counsel; and

(E) Such other documents, certifications and verifications as the Original Purchaser may reasonably require.

Section 3.12. Designation of Bonds as "Qualified Tax-Exempt Obligations". The City hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code and covenants that the Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the City to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligations and private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Bonds, have been or shall be issued by the City, and all subordinate entities of the City during the calendar year 1996.

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. System Revenues and Application Thereof. So long as any of the Bonds shall be outstanding and unpaid, the City covenants with the holders of the Bonds as follows:

A. Establishment of Sewer System Revenue Fund and Disposition of System Revenues. The entire gross revenues derived from the operation of the System and all parts thereof shall be deposited by the City in a special fund in a bank in the State of West Virginia (the "Depository Bank") which is eligible under the laws of West Virginia to receive deposits of state and municipal funds, which fund (herein called the "Revenue Fund") is hereby established. The Revenue Fund shall constitute a trust fund for the purposes provided in this Ordinance and shall be kept separate and distinct from all other funds of the City and used only for the purposes and in the manner herein provided. All revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority.

(1) The City shall first each month, from the moneys in the Revenue Fund, pay all reasonable operating expenses of the System.

(2) Thereafter, from the moneys in the Revenue Fund, the City shall, on the first day of each month, commencing with and including the month of October, 1996, apportion

and set apart out of the Revenue Fund and remit to the Commission, for deposit in a fund to be known as the "Sinking Fund", which is hereby created and established, a sum equal to one-sixth (1/6) of the amount of interest which will become due on said Bonds on the next ensuing semi-annual interest payment date: Provided, however, that in the event that the period to elapse between said initial payment date and the next semi-annual interest payment date is less than six (6) months, then such monthly payments shall be increased proportionately to provide the required amount of interest maturing on the next semi-annual interest payment date.

The City shall also apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in said Sinking Fund, on the first day of each month, beginning on the first day of that month which is twelve months prior to the first principal payment date of said Bonds, a sum equal to one-twelfth (1/12) of the amount of principal which will mature and become due on said Bonds on the next ensuing principal payment date.

The City shall also, from the Revenue Fund, remit to the Commission, on such dates, or at such other times, as the Commission shall require, such additional sums as shall be necessary to pay the fiscal agency charges due for paying the Bonds and the interest thereon.

The Commission is hereby designated as the Fiscal Agent for the administration of the Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the Commission from said Revenue Fund and from the proceeds of the sale of the Bonds as provided in Article V hereof, by the City, at the times provided herein.

Moneys in the Sinking Fund shall be used only for the purposes of paying principal of and interest on the Bonds as the same shall become due.

The City shall next, from the Revenue Fund remit to the Commission for deposit in a Reserve Account in said Sinking Fund, on the first day of each month of each year, beginning with and including the month in which payments from the Revenue Fund for semi-annual interest are commenced, an amount equal to twenty per centum (20%) of all amounts required to be deposited for maturing principal and interest into said Sinking Fund, as provided above, on said dates: Provided, however, that no further payments shall be made into said Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Reserve Account Requirement.

Moneys in the Reserve Account shall be used only for the purpose of payment of maturing principal of or interest on the Bonds when other moneys in the Sinking Fund are insufficient therefor, for redemption premiums, and for no other purpose.

Any withdrawals from the Reserve Account shall be subsequently restored from the first revenue available after all required payments to the Sinking Fund and Reserve Account, including any deficiencies for prior payments, have been made in full.

The City shall not be required to make any further payments into said Sinking Fund or into the Reserve Account in said Sinking Fund when the aggregate amount of funds in both said Sinking Fund and said Reserve Account are at least equal to the aggregate principal amount of Bonds issued pursuant to this ordinance then outstanding, plus the amount of interest due or thereafter to become due on said Bonds then outstanding.

As and when additional bonds ranking on a parity with the Bonds herein authorized are issued, provision shall be made for additional payments into said Sinking Fund sufficient to pay the interest on such additional parity bonds and accomplish retirement thereof at or before maturity and to accumulate a balance in the Reserve Account in said Sinking Fund in an amount equal to the maximum provided and required to be paid into the Sinking Fund in any calendar year for account of all the Bonds, including such additional Bonds which by their terms are payable from said Sinking Fund.

The payments into the Sinking Fund shall be made on the first day of each month except that when the first day of any month shall be a Sunday or legal holiday then such payments shall be made on the next succeeding business day 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 ordinance.

Said Sinking Fund shall be used solely and only and is hereby pledged for the purpose of servicing the Bonds and any additional Bonds ranking on a parity therewith that may be issued and outstanding under the conditions and restrictions hereinafter set forth.

(3) Thereafter, from the moneys remaining in said Revenue Fund, the City shall next, on the first day of each month commencing with the first month in which interest shall be first payable from the Revenue Fund, remit to the Depository Bank in a special account to be designated "Renewal and Replacement Fund" which account is hereby established and created, a sum equal to 2-1/2 percent (2-1/2%) of the gross revenues each month, exclusive of any payments for accounts of the Reserve Account in the Sinking Fund. No further payments shall be required to be made into said "Renewal and Replacement Fund" when there shall have been deposited therein, and so long as there shall remain on deposit therein, an amount equal to 10% of the principal amount of all outstanding Bonds payable from the Sinking Fund. All funds in said "Renewal and Replacement Fund" shall be kept apart from all other municipal funds, or all or any part of said fund may be invested in Qualified Investments consisting of bonds or other direct or fully guaranteed obligations of the United States of America maturing or being subject to retirement at the option of the holder within not more than ten years from the date of such investment. Withdrawals and disbursements may be made from said "Renewal and Replacement Fund" for replacements, emergency repairs, additions, betterments or improvements to the System, or debt service

on obligations not on a parity with the Bonds, the proceeds of which obligation were used to finance such additions, betterments or improvements.

(4) Whenever all of the required and provided transfers and payments from said Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid for Operating Expenses and into the Sinking Fund and the Renewal and Replacement Fund during the next succeeding three months such excess shall be considered as surplus revenues. Said surplus revenues shall be first used for the construction and acquisition of improvements and extensions to the System and thereafter, to the extent not needed for such purposes, said surplus revenues and any surplus moneys in the Sinking Fund, exclusive of the Reserve Account, in excess of the amount of interest to become due on the next interest payment date and the amount of principal to become due within the next succeeding twelve months, may be used to purchase bonds upon the open market and at not exceeding the then applicable redemption price or to call and redeem the bonds on the next succeeding interest payment date.

(5) The moneys in excess of the sum insured by the maximum amounts insured by the Federal Deposit Insurance Corporation in the Revenue Fund and for the Renewal and Replacement Fund (unless remitted to the Commission) shall at all times be secured, to the full extent thereof in excess of such insured sum, by direct obligations of the United States of America or such other obligations as shall be eligible as security for deposits of state and municipal funds under the laws of the State of West Virginia.

(6) If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds on the subsequent payment dates.

(7) Moneys in the Reserve Account shall be invested and reinvested by the Commission as provided in Article VI hereof.

(8) All remittances made by the City to the Commission shall clearly identify the Fund or Account into which each amount is to be deposited.

(9) Anything to the contrary herein notwithstanding, when the aggregate sum in the Sinking Fund, including the Reserve Account therein, are sufficient to pay and redeem all the Bonds outstanding and all interest accrued and to accrue thereon and any applicable redemption premiums, the City shall cause all the Bonds to be paid or called and redeemed at the earliest practicable date permitted and pursuant to the provisions hereof as to redemption of Bonds.

ARTICLE V

APPLICATION OF BOND PROCEEDS

Section 5.01. Application of Bond Proceeds

A. All accrued interest received from the purchaser of the Bonds shall be deposited in the Sinking Fund and used to pay the next maturing interest on the Bonds.

B. The balance of the proceeds of the Bonds shall be applied by the City pursuant to the provisions of the Escrow Agreement.

ARTICLE VI

INVESTMENTS; NON-ARBITRAGE; REBATES OF EXCESS INVESTMENT EARNINGS

Section 6.01. Investments. The City shall invest and reinvest, and shall instruct the Commission and the Depository Bank to invest and reinvest, any moneys held as a part of the funds and accounts created or continued by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The City shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The City may make any and all investments permitted by this section through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section:

(A) Qualified Investments acquired for the Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

(B) The City shall, or shall cause the Commission to semiannually transfer from the Reserve Account to the Sinking Fund any earnings on the moneys deposited therein and

any other funds in excess of the Reserve Account Requirement; provided, however, that there shall at all times remain on deposit in the Reserve Account an amount at least equal to the Reserve Account Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Reserve Account, whereupon it shall be valued immediately after such withdrawal. If amounts on deposit in the Reserve Account shall, at any time, be less than the Reserve Account Requirement, such deficiency shall be made up from the first available Net Revenues after required deposits to the Sinking Fund and otherwise in accordance with Section 4.01.

(D) Notwithstanding the foregoing, all moneys deposited in the Sinking Fund may be invested by the Commission in the West Virginia "consolidated fund" managed by the West Virginia State Board of Investments pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended.

Section 6.02. Arbitrage. The City covenants that (i) it will restrict the use of the proceeds of the Bonds of each series in such manner and to such extent as may be necessary, so that the Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to the Bonds) so that the interest on the Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 6.03. Small City Exemption from Rebate of Excess Investment Earnings to the United States. In accordance with Section 148 (f)(4)(D) of the Code, the City covenants that it is a governmental unit with general taxing powers; that no part of the Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Bonds are to be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds) issued by the City during the calendar year in which the Bonds are issued does not and will not exceed $5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations from time to time in effect an applicable to the Bonds. For purposes of the first paragraph of Section 6.03 and for purposes of applying Section 148(f)(4)(D) of the Code, the City and all entities which issue obligations on behalf of the City shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this first paragraph of Section 6.03 and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this first paragraph of Section 6.03 and Section 148(f)(4)(D) of the Code to each other entity to which such

entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the City is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the City covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Bonds. In the event of a failure to pay any such amount or amounts, the City will pay, from any lawful sources available therefor, to the United States an amount equal to the sum of 50% of the amount not paid, plus interest at the required rate on the portion of the amount which was not paid on the required date, beginning on such date, unless waived. In order to provide for the administration of this paragraph, the City may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the City may deem appropriate.

ARTICLE VII

ADDITIONAL COVENANTS OF THE CITY

Section 7.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the City and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the City hereby covenants and agrees with the Holders of the Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Bonds, or the interest thereon, are Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the City. The Bonds shall not be or constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Net Revenues of the System, the moneys in the Sinking Fund and all accounts therein, all as herein provided. No Holder or Holders of the Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the City to pay the Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of all of the Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System, and all moneys and securities in the Sinking Fund, and all accounts therein, to the extent necessary to make the payments required under Section 4.01. The Net Revenues derived from the

System, in an amount sufficient to pay the principal of and interest on the Bonds herein authorized, and to make the payments into the Sinking Fund, all moneys and securities in the Sinking Fund, and all accounts therein, and all other payments provided for in this Ordinance, are hereby irrevocably pledged in the manner provided in this Ordinance to the payment of the principal of and interest on the Bonds herein authorized as the same become due and for the other purposes provided in this Ordinance.

Section 7.04. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the City hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the minimum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds. The City shall not reduce the rates or charges for services set forth in the rate ordinance currently in effect if the effect of such reduction will be to reduce the debt service coverage below 115%.

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

Section 7.05. Operation and Maintenance. The City will maintain the System in good condition and will operate the same as a revenue producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the Revenues of said System in the manner provided in this Ordinance.

So long as the Bonds are outstanding, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay all the Bonds Outstanding, or to effectively defease the pledge created by this Ordinance as provided in Section 10.01 hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall

immediately be remitted to the Commission for deposit in the respective sinking funds, and the City shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on all Bonds Outstanding. Any balance remaining after the payment of all the Bonds and interest thereon shall be remitted to the City by the Commission unless necessary for the payment of other obligations of the City payable out of the revenues of the System.

The foregoing provision notwithstanding, the City shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the City shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the City shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall be remitted by the City to the Commission for deposit in the respective sinking funds and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than the par value thereof plus 3% of such par value or otherwise. Such payment of such proceeds into the Renewal and Replacement Fund or the respective sinking funds shall not reduce the amounts required to be paid into said funds by other provisions of this Ordinance. No sale, lease or other disposition of the properties of the System shall be made by the City if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of over 50% in amount of the Bonds then Outstanding and the Consulting Engineers. The City shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The City shall not issue any other obligations whatsoever, except additional parity Bonds provided for in Section 7.08 hereof, payable from the

Revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from the Net Revenues with the Bonds; and all obligations hereafter issued by the City payable from the Revenues of the System, except such additional Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such Revenues and in all other respects to the Bonds.

The City shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to such additional parity Bonds, being on a parity with the lien of the Bonds, and the interest thereon, upon any of the income and Revenues of the System pledged for payment of the Bonds and the interest thereon in this Ordinance or upon the System or any part thereof.

Section 7.08. Parity Bonds. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

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

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements or betterments to the System or refunding one or more series of Bonds issued pursuant hereto, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Clerk a written statement by the Independent CPAs, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues so derived, subject to the adjustments hereinafter provided for, from the System during the Fiscal Year preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above

paragraph, shall refer only to the increased Net Revenues estimated to be derived from any increase in rates enacted by the City, the time for appeal of which shall have expired (without successful appeal) prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the Clerk of the City prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the preceding Fiscal Year hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Consulting Engineers and the Independent CPAs as stated in a certificate jointly made and signed by the Consulting Engineers and the Independent CPAs, and filed with said Clerk, on account of increased rates, rentals, fees and charges for the System enacted by the City, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

The City covenants that not later than 1 day following the delivery of such Parity Bonds, the City shall have entered into written contracts for the immediate construction of such additions, betterments or improvements to the System which are to be financed by such Parity Bonds.

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

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

No additional parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in

this Ordinance on account of the Bonds then Outstanding, and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of the Parity Bonds.

The City may issue additional parity Bonds without compliance with any other conditions for the purpose of refunding prior to maturity any series of the Bonds or portion thereof, provided that the annual debt service required on account of the refunding Bonds and the Bonds which are not refunded shall not be greater in any year in which the Bonds not refunded and the refunding Bonds are to be Outstanding than the annual debt service required in such year if the Bonds to be refunded were not so refunded.

Section 7.09. Insurance and Bonds. The City hereby covenants and agrees, that so long as the Bonds remain Outstanding, the City will, as an Operating Expense, procure, carry and maintain insurance and bonds and worker's compensation coverage with a reputable insurance carrier or carriers or bonding company or companies covering the following risks and in the following amounts:

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

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the City from claims for bodily injury and/or death and not less than $100,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the City from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the City, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

Section 7.10. Services Rendered to the City. The City will not render or cause to be rendered any free services of any nature by its System; and, in the event the City or any department, agency, instrumentality, officer or employee thereof shall avail himself of the facilities, or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the City and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the City shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be Revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other Revenues derived from such operation of the System.

Section 7.11. Enforcement of Collections. The City will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid and to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, all delinquent rates, rentals and other changes, if not paid, shall become a lien on the premises served by the System. The City further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services and facilities of the System and any services and facilities of the City's waterworks system, to all delinquent users of services and facilities of the System and will not restore such services of the System (or waterworks system) until all billing for charges for the services and facilities of the System, plus reasonable interest penalty charges for the restoration of service, has been fully paid.

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

Section 7.13. Books and Records. The City will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds shall have the right at all reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the City relating thereto.

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

The City shall file with the Original Purchaser, and shall mail to any Bondholder requesting the same, an annual report within 30 days following the date of receipt of the final audit containing a balance sheet, statement of revenues, expenses, and changes in retained earnings, and statement of cash flows, as prescribed by generally accepted accounting principles.

The City shall also file with the Original Purchaser, and mail to any Bondholder requesting the same, a monthly unaudited report within 30 days following the end of each month containing the following:

(A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Ordinance and status of all said funds and accounts.

(C) The amount of any Bonds, notes or other obligations payable from the revenues of the System outstanding.

The City shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by Independent CPAs, shall mail upon request, and make available generally, the report of said Independent CPAs, or a summary thereof, to any

Holder or Holders of Bonds issued pursuant to this Ordinance and shall file said report with the Original Purchaser.

Section 7.14. Operating Budget. The City shall annually, at least 45 days preceding the beginning of each Fiscal Year, or at such earlier date required by the charter of the City, prepare and adopt by resolution a detailed balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the City shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the receipt of a certificate of such a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The City shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Original Purchaser and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Original Purchaser and to any Bondholder or anyone acting for and in behalf of such Bondholder who requests the same.

Section 7.15. Mandatory Connections. The mandatory use of the sewerage facilities portion of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the City and in order to assure the rendering harmless of sewage waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Division of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the sewerage facilities portion of the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Division of Health and such house, dwelling or building can be adequately served by the sewerage facilities portion of the System, and every such owner, tenant or occupant shall, after a 30 day notice of the availability of the sewerage facilities portion of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or water-borne waste matter and which is not so connected with the sewerage facilities portion of the System is hereby declared and found to be a hazard to the health, safety, comfort and

welfare of the inhabitants of the City and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

Section 7.16. Tax Covenants. The City hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The City shall assure that (i) not in excess of 10% of the Net Proceeds of the Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the City, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Bonds are used for a Private Business Use, and (B) an amount in excess of 5 % of the principal or 5 % of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the City, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5 % of Net Proceeds of the Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The City shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The City will file all statements, instruments and certificate necessary to assure the tax-exempt status of the Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code,

E. FURTHER ACTIONS. The City will take all actions that may be required of it so that the interest on the Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 7.17. Statutory Mortgage Lien. For the further protection of the Holders of the Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Bonds.

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Bond;

(B) If default occurs in the City's observance of any of the covenants, agreements or conditions on its part in this Ordinance or any Supplemental Resolution or in the Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the City by any Bondholder or any Insurer; or

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

Section 8.02. Enforcement. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the City to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the charging and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the City to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners.

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder by the Bondholders shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 8.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the City, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other Revenues in conformity with the provisions of this Ordinance and the Act.

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

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

Such receiver, in the performance of the powers hereinabove conferred upon him, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby and a successor receiver appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further

orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the City and for the joint protection and benefit of the City and the Holders of the Bonds issued pursuant to this Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System, for the sole purpose of the protection of both the City and the Bondholders, and the curing and making good of any default under the provisions of this Ordinance, and the title to and ownership of said System shall remain in the City, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the System.

Section 8.04. Restoration of City and Bondholder. In case any Bondholder shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the City and such Bondholder shall be restored to their former positions and rights hereunder, and all rights and remedies of such Bondholder shall continue as if no such proceedings had been taken.

ARTICLE IX

REGISTRAR AND PAYING AGENT

Section 9.01. Appointment of Registrar. The Registrar for the Bonds shall be appointed pursuant to the Supplemental Resolution. The City is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 9.02. Responsibilities of Registrar. The recitals of fact in the Bonds shall be taken as statements of the City, and the Registrar shall not be responsible for their accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Bonds by the City. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 9.01.

Section 9.03. Evidence on Which Registrar May Act. Except as otherwise provided by Section 11.02, the Registrar shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by it to be genuine

and to have been signed or presented by the proper party or parties. Whenever the Registrar shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the City, but in its discretion the Registrar may instead accept other evidence of such fact or matter.

Section 9.04. Compensation and Expenses. The City shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Bonds, the first exchange of Bonds and the exchange of Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

Section 9.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the Bonds or this Ordinance, whether or not any such committee' shall represent the Holders of a majority in principal amount of the Bonds Outstanding.

Section 9.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than 60 days' written notice to the City and publishing in an Authorized Newspaper notice (or mailing such notice to each Bondholder in the event all Bonds are fully registered), specifying the date when such resignation shall take effect, within 20 days after the giving of such written notice. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the City or bondholders, in which event such resignation shall take effect immediately.

Section 9.07. Removal. The Registrar may be removed at any time by the City or by the Holders of a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the City or by such Bondholders or their attorneys duly authorized in writing and delivered to the City, as the case may be. Copies of each such instrument shall be delivered by the City to the Registrar.

Section 9.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of

a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the City and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the City shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders. The City shall publish in an Authorized Newspaper (or mail to each Bondholder in the event all Bonds are fully registered) notice of any such appointment within 20 days after the effective date of such appointment. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Any successor Registrar appointed by the City shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the City written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

Section 9.09. Transfer of and Property to Successor. Any predecessor Registrar or Paying Agent shall pay over, assign and deliver any moneys, books and records held by it to its successor.

Section 9.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 9.08.

Section 9.11. Adoption of Authentication. In case any of the Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 9.12. Paying Agent. The Registrar shall also serve as the Paying Agent. The Registrar's acceptance of the duties and responsibilities of the Registrar expressed in Section 9.02 shall also include the trusts and the duties of Paying Agent. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance. Such alternate Paying Agent shall signify its

acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the City a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Bonds shall be and remain DTC-Eligible.

Each Paying Agent shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by such Paying Agent in connection with such services solely from moneys available therefor.

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Ordinance. If the position of Paying Agent shall become vacant for any reason, the City shall, within 30 days thereafter, appoint a bank, trust company or national banking association located in the same city as such Paying Agent to fill such vacancy; provided, however, that, if the City shall fail to appoint such Paying Agent within said period, the Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment.

The Paying Agents shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in this Article VIII with respect to the Registrar, insofar as such provisions may be applicable.

Notice of the appointment of successor or additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 9.08 hereof with respect to the appointment of a successor Registrar.

All moneys received by the Paying Agents shall, until used or applied as provided in this Ordinance, be held in trust for the purposes for which they were received.

ARTICLE X

DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 10.01. Defeasance; Discharge of an Ordinance. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of the Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then this Ordinance and the pledges of the Net Revenues and other moneys and securities pledged hereunder, and all covenants, agreements and other obligations of the City on behalf of the Holders of the Bonds made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on the Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or an escrow trustee either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Bonds on and prior to the maturity date thereof, or if the City irrevocably determines to redeem any of the Bonds prior to the maturity thereof, on and prior to said redemption date. Neither securities nor moneys deposited with the Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on the Bonds on and prior to such maturity or redemption dates thereof, and interest earned from such reinvestments shall be paid over to the City as received by the Commission or said escrow trustee, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations, as such term is limited by the provisions in Section 1.01 hereof or such additional securities as shall be set forth in the Supplemental Resolution.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment of Ordinance. Prior to issuance of the Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Bonds, this Ordinance and any Supplemental Resolution may be amended or modified without the consent of any Bondholder or other person, solely for the purpose of maintaining the tax-exempt status of the Bonds. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made without the written consent of the Holders of 60% in aggregate principal amount of the Bonds then Outstanding and affected thereby, which must be filed with the Clerk of the City before any such modification or amendment may be made. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Bond without the

express written consent of the Holder of such Bond, nor reduce the percentage of Bonds required for consent to any such modification or amendment.

Section 11.02. Evidence of Signatures of Bondholders and Owner of Bonds. Any request, consent, revocation of consent or other instrument which this Ordinance may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, shall be sufficient for any purpose of this Ordinance if made in the following manner, or in any other manner satisfactory to the City or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

A. The fact and date of the execution by any Bondholder or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgements of deeds to be recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer or (ii) by the certificate, which need not be acknowledged or verified, of an officer of a bank, a trust company or a financial firm or corporation satisfactory to the City or the Registrar, as the case may be, that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or treasurer or a vice-president or an assistant treasurer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

C. The amount of fully registered Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

Any request, consent or other instrument executed by the Holder of any Bond shall bind all future Holders and owners of such Bond in respect of anything done or suffered to be done hereunder by the City or the Registrar in accordance therewith.

Section 11.03. Preservation and Inspection of Documents. To the extent allowable under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Ordinance shall be retained in its possession and shall be available at all reasonable times for the inspection of the City or any Bondholder, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the election of the Registrar, be destroyed or otherwise disposed of at

any time after such date as the pledge created by this Ordinance shall be discharged as provided in Section 10.01.

Section 11.04. Cancellation of Bonds. All Bonds purchased or paid shall, if surrendered to the City, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Ordinance and no Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the City shall be destroyed, and a certificate evidencing such destruction shall be delivered to the City.

Section 11.05. Failure to Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any moneys held by the Commission or a Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for 1 year after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the City be paid by the Commission or said Paying Agent to the City as its absolute property and free from trust, and the Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the City for the payment of such Bonds; provided, however, that, before making any such payment to the City, the Registrar, if so advised by the Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such moneys then unclaimed will be returned to the City.

Section 11.06. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the City, the Registrar, the Paying Agent, the Depository Bank or the Original Purchaser shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows or if hand-delivered to the individual to whom such notice, demand or request is required to be directed as indicated below:

City of Princeton
100 Courthouse Road
Princeton, West Virginia 24740
Attention: City Manager

REGISTRAR AND PAYING AGENT

First Century Bank, N.A.
P. O. Box 1559
Bluefield, West Virginia 24701-1559
Attention: Trust Department

DEPOSITORY BANK

First Community Bank
1001 Mercer Street
Princeton, West Virginia 24740

ORIGINAL PURCHASER

First Century Bank, N.A.
P. O. Box 1559
Bluefield, West Virginia 24701-1559

Any party listed above may change such address listed for it at any time upon written notice of change sent by United States mail, postage prepaid, to the other parties.

Section 11.07. No Personal Liability. No member of the Council or officer or employee of the City shall be individually or personally liable for the payment of the principal of or the interest on any Bond, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Ordinance.

Section 11.08. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Bonds issued hereunder.

Section 11.09. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the City, the Registrar, the Paying Agent, the Holders of the Bonds and the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Registrar, the Paying Agent, the Holders of the Bonds and the Original Purchaser.

Section 11.10. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 11.11. 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 11.12. Conflicting Provisions Repealed. All ordinances, orders, resolutions or parts thereof in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed.

Section 11.13. Procedure on Enactment of Ordinance; Hearing. Upon adoption of this Ordinance, the Clerk is hereby authorized and directed to have an abstract of this Ordinance, which abstract has been determined by the Council of the City to contain sufficient information to give notice of the contents of such Ordinance, published once each week for 2 successive weeks, with not less than six full days between each publication, the first such publication to be not less than 10 days before the date stated below for the public hearing, in the Bluefield Daily Telegraph, a newspaper of general circulation in the City of Princeton, no qualified newspaper being published therein, together with a notice to all persons concerned, stating that this Ordinance has been adopted and that the City contemplates the issuance of the Bonds described in this Ordinance and that any person interested may appear before the Council at the public hearing to be had at a public meeting of Council on the 30th day of August, 1996, at 12:00 p.m., at the Municipal Building, Princeton, West Virginia, and present protests, and that a certified copy of this Ordinance is on file with the Clerk for review by interested parties during the office hours of the Clerk. At such hearing all protests and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises.

This Ordinance shall become effective following public hearing hereon in accordance with the Act.

CITY OF PRINCETON

By: _____

Its: Mayor

CERTIFICATION

Certified a true, correct and complete copy of an Ordinance duly enacted by the Town Council of the CITY OF PRINCETON at a special meeting of the City Council held at 12:00 p.m., on August 30, 1996, pursuant to proper notice, at which meeting a quorum was present and acting throughout, and which Ordinance was enacted following a public hearing thereon, notice of which public hearing was published once a week for two successive weeks in a newspaper having a general circulation in the City of Princeton, the first publication having been not less than 10 days prior to such public hearing.

Dated this 30th day of August, 1996.

[SEAL]

Kenneth E. Clay
City Clerk

CITY OF PRINCETON
SEWER REVENUE REFUNDING BONDS, SERIES 1996

SUPPLEMENTAL RESOLUTION PROVIDING AS TO AMOUNT, MATURITIES, INTEREST RATES, REDEMPTION PROVISIONS, PURCHASE PRICE AND OTHER DETAILS AS TO THE SEWER REVENUE REFUNDING BONDS, SERIES 1996, OF THE CITY OF PRINCETON; AUTHORIZING AND APPROVING A PLACEMENT AGENT'S AGREEMENT, A REGISTRAR AND PAYING AGENT AGREEMENT, AN ESCROW AGREEMENT AND OTHER INSTRUMENTS RELATING TO THE BONDS; APPOINTING A REGISTRAR, PAYING AGENT, ESCROW AGENT AND DEPOSITORY BANK; DESIGNATING THE BONDS AS "BANK QUALIFIED OBLIGATIONS" AND MAKING OTHER PROVISIONS AS TO THE BONDS AND THE REFUNDING.

WHEREAS, the City of Princeton (the "Issuer"), in the County of Mercer, State of West Virginia, is a municipal corporation of said State, the governing body of which is its Council;

WHEREAS, this Council duly enacted on August 30, 1996, an ordinance (the "Ordinance") entitled:

AN ORDINANCE AUTHORIZING ISSUANCE OF $1,015,000 IN PRINCIPAL AMOUNT OF 1996 SEWER REVENUE REFUNDING BONDS OF THE CITY OF PRINCETON TO, ALONG WITH OTHER FUNDS AND MONEYS OF, OR AVAILABLE TO, THE CITY OF PRINCETON WHICH MAY BE LAWFULLY EXPENDED FOR SUCH PURPOSE, MAKE PROVISION FOR THE REFUNDING OF ALL OUTSTANDING SEWER REVENUE BONDS OF THE CITY OF PRINCETON, PROVIDING FOR THE RIGHTS, REMEDIES AND SECURITY FOR THE HOLDERS OF SUCH 1996 SEWER REVENUE REFUNDING BONDS AND ADOPTING OTHER PROVISIONS RELATED THERETO (the "Ordinance").

WHEREAS, the Ordinance provided for the issuance of the Issuer's Sewer Revenue Refunding Bonds, Series 1996 (the "Series 1996 Bonds"), in an aggregate principal amount of $1,015,000, for the purpose of refunding the Issuer's outstanding Sewer Revenue Refunding Bonds, Series 1977 (the "Prior Bonds"), all in accordance with Chapter 16, Article 13 and Chapter 13, Article 2E of the West Virginia Code of 1931, as amended (collectively, the "Act");

WHEREAS, the Ordinance provided that the exact principal amount of the Series 1996 Bonds to be sold and the maturities, interest rates, redemption provisions and the price of the Bonds should be established, that a Paying Agent, Escrow Agent, Registrar and Depository Bank be designated, that an Escrow Agreement and Registrar and Paying Agent Agreement be approved, and that other matters pertaining to the Series 1996 Bonds be provided for by resolution of this Council supplemental to and amendatory of the Ordinance upon receipt of a Bond Purchase Agreement acceptable to this Council;

WHEREAS, the Series 1996 Bonds are proposed to be purchased by First Century Bank, N.A. (the "Original Purchaser"), pursuant to a Placement Agent's Agreement dated the date of adoption hereof (the "Placement Agent's Agreement");

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

WHEREAS, this Council deems it essential and desirable that this Resolution be adopted and that the Placement Agent's Agreement, the Escrow Agreement and the Registrar and Paying Agent Agreement hereinafter provided to be entered into by the Issuer, be approved, that the price of the Series 1996 Bonds, the maturity dates and amounts, the redemption provisions, the interest rates, and the exact principal amount of the Series 1996 Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 1996 Bonds be herein provided for, all in accordance with the Ordinance;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF PRINCETON HEREBY RESOLVES:

Section 1. Pursuant to the Ordinance and the Act, this Resolution is adopted and there are hereby authorized and ordered to be issued the Series 1996 Bonds in the aggregate principal amount of $1,015,000. The Series 1996 Bonds shall be dated August 15, 1996, upon original issuance, shall bear interest payable semiannually on May 1 and November 1 of each year, commencing November 1, 1996 and shall mature on May 1 in years as follows:

Year (May 1)	Principal Amount	Interest Rate
1997	$25,000	4.00%
1998	50,000	4.25
1999	55,000	4.50
2000	55,000	4.70
2001	60,000	4.80
2002	60,000	4.90
2003	60,000	5.00
2004	65,000	5.10
2005	70,000	5.20
2006	75,000	5.30
2007	80,000	5.40
2008	80,000	5.50
2009	85,000	5.60
2010	95,000	5.70
2011	100,000	5.75

Section 2. The Series 1996 Bonds maturing on and after May 1, 2001 shall be subject to redemption at the option of the Issuer on and after May 1, 2002, in whole at any time and in part on any interest payment date thereafter, in any order of maturity selected by the Issuer and by lot within a maturity, at the redemption rates shown below, as a percentage of the principal amount due, plus interest accrued to the date fixed for redemption:

Redemption Period	Redemption Price
May 1, 2001 through April 30, 2002	102%
May 1, 2002 through April 30, 2003	101
May 1, 2003 and thereafter	100

If a Series 1996 Bond is called for redemption in part, such Series 1996 Bond shall be renumbered and exchanged for a Series 1996 Bond of the amount then outstanding without charge to the Bondholder.

All other provisions relating to the Series 1996 Bonds shall be as provided in the Ordinance, and the text thereof shall be in substantially the form provided in the Ordinance.

Section 3. The Placement Agent's Agreement between the Placement Agent and the Issuer, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor or Vice Mayor and City Clerk on behalf of the Issuer are hereby authorized, approved and directed. The Mayor or Vice Mayor and City Clerk shall execute and deliver the Placement Agent's Agreement with such changes, insertions and omissions as may be approved by the Mayor or Vice Mayor and City Clerk. Execution of the Placement Agent's Agreement by the Mayor or Vice Mayor and City Clerk shall be conclusive evidence of any approval required by this Section. The price of the Series 1996 Bonds, pursuant to the Placement Agent's Agreement, shall be $1,015,000. In addition, the Issuer shall receive interest accrued from the date of the Series 1996 Bonds (August 15, 1996) to their date of delivery. The Series 1996 Bonds are expected to be delivered on or about August 30, 1996, and, if so delivered, the accrued interest will be $2,190.83.

Section 4. The Escrow Agreement by and between the Issuer and the West Virginia Municipal Bond Commission, as Escrow Agent, to be dated as of the date of delivery of the Series 1996 Bonds, substantially in the form submitted to this meeting shall be and the same is hereby approved. The Mayor or Vice Mayor shall execute and deliver the Escrow Agreement with such changes, insertions and omissions as may be approved by the Mayor or Vice Mayor and the City Clerk is hereby authorized and directed to affix the seal of the Issuer thereto and to attest the seal. Execution of the Escrow Agreement by the Mayor or Vice Mayor shall be conclusive evidence of any approval required by this Section.

Section 5. The Registrar and Paying Agent Agreement to be dated as of the date of delivery of the Series 1996 Bonds, by and between the Issuer and the Registrar/Paying Agent designated herein, substantially in the form submitted to this meeting shall be and the same is hereby approved. The Mayor or Vice Mayor shall execute and deliver the Registrar and Paying Agent Agreement with such changes, insertions and omissions as may be approved by the Mayor or Vice Mayor. The execution of the Registrar and Paying

Agent Agreement by the Mayor or Vice Mayor shall be conclusive evidence of any approval required by this Section.

Section 6. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, for the purpose of serving as Escrow Agent under the Escrow Agreement.

Section 7. The Issuer does hereby appoint and designate First Century Bank, N.A., Bluefield, West Virginia, for the purpose of serving in the capacities of Registrar and Paying Agent.

Section 8. The Issuer does hereby appoint and designate First Community Bank, Princeton, West Virginia for the purpose of serving in the capacity of Depository Bank.

Section 9. The notice addresses for the Registrar, Paying Agent and Depository Bank shall be as follows:

REGISTRAR AND PAYING AGENT

First Century Bank, N.A.
P.O. Box 1559
Bluefield, WV 24701-1559
Attn: Trust Department

DEPOSITORY BANK

First Community Bank
1001 Mercer Street
Princeton, WV 24740

Section 10. Based upon the actual principal amount, maturity schedule and interest rates for the Series 1996 Bonds, as set forth in Paragraph (1) hereof, it is hereby determined that the Series 1996 Bonds show a net savings to the Issuer after deducting all expenses of the refunding.

Section 11. Under the provisions of the Act, and as provided in the Ordinance and the Series 1996 Bonds, the Series 1996 Bonds and the interest thereon do not constitute indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, but shall be payable solely from the revenues derived from the operation of the sewer system of the Issuer and neither the credit nor the taxing power of the Issuer is pledged for, and no tax shall ever be levied for, payment of the Series 1996 Bonds and the interest thereon.

Section 12. The Issuer and all subordinate entities do not reasonably expect to issue more than $10,000,000 of tax-exempt obligations (other than private activity bonds and obligations issued to currently refund any obligation of the Issuer to the

extent the amount of the refunding obligation does not exceed the amount of the refunded obligations) during the calendar year 1996 and the Issuer hereby designates the Series 1996 Bonds as "qualified tax-exempt obligations," as defined in Section 265(b) of the Internal Revenue Code of 1986, as amended.

Section 13. The Mayor or Vice Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 1996 Bond issue, hereby and by the Ordinance approved and provided for, including any forms or documents necessary to qualify the Series 1996 Bonds for sale under the "Blue Sky Laws" of any state, to the end that the Series 1996 Bonds may be delivered at the earliest practical date pursuant to the Placement Agent's Agreement.

Section 14. The Mayor or Vice Mayor is hereby authorized and directed to transfer from the Debt Service Fund and Reserve Fund, created for the Prior Bonds, and held by the West Virginia Municipal Bond Commission the amounts set forth in the Escrow Agreement.

Section 15. This Resolution shall be effective immediately. Adopted this 30th day of August, 1996.

[SEAL]

CITY OF PRINCETON, WEST VIRGINIA

By: Charles Skeens Caldwell

Its: Mayor

Kenneth E. Clay
City Clerk

CERTIFICATION

Certified a true, correct and complete copy of a Supplemental Resolution duly adopted by the City Council of the CITY OF PRINCETON at a special meeting of the City Council held August 30, 1996, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Dated this 30th day of August, 1996.

Kenneth E. Clay
City Clerk

$9,100,0000
CITY OF PRINCETON
SEWER REVENUE BOND, SERIES 2011
(WV SRF PROGRAM)

RECEIPT OF PAYMENT OF SERIES 2008 NOTE

The undersigned authorized representative of the West Virginia Municipal Bond Commission (the "Paying Agent") hereby certifies this 3rd day of March, 2011 as follows:

On the 3rd day of March, 2011, the Paying Agent received the sum of $468,693.93 from the proceeds of the Sewer Revenue Bond, Series 2011 (WV SRF Program) issued by the City of Princeton (the "City"), and such amount will be transferred to **Branch Banking and Trust Company (BB&T),** as Noteholder. These funds, along with the project funds held at BB&T, will fully pay the entire outstanding principal of and all accrued interest on the City of Princeton, Sewer Bond Anticipation Note, Series 2008, dated July 22, 2008, issued in the original aggregate principal amount of $500,000, of which $500,000 is currently outstanding.

WITNESS my signature the day and year first written above.

WEST VIRGINIA MUNICIPAL BOND COMMISSION

By: _____
Executive Director

CLOSING MEMORANDUM

To: **Carol Cummings**
Rosalie M. Brodersen
Mike Saffel
Sara Boardman
Samme Gee

From: **Bill Bragg**

Date: **March 3, 2011**

Re: **$9,100,000 City of Princeton, Sewer Revenue Bond Series 2011 (WV SRF Program)**

---

1. DISBURSEMENT TO CITY

Payor: West Virginia Department of Environmental Protection
Source: Series 2011 Bond Proceeds
Amount: $73,814.00
Date: March 3, 2011
Form: Wire Transfer
Payee: City of Princeton
Bank: First Community Bank, N.A.
One Stafford Drive
Princeton, WV 24740
(304) 431-9019
Att'n.: Kevin Cole
Routing No.: 051501299
Account No.: 10256707
Account Name: Series 2011 Construction Trust Fund

2. DISBURSEMENT TO MBC

Payor: West Virginia Department of Environmental Protection
Source: Series 2011 Bond Proceeds
Amount: $468,694.00
Date: March 3, 2011
Form: Wire Transfer
Payee: West Virginia Municipal Bond Commission
(304) 558-3971
Att'n.: Sara Boardman
Bank: Branch Banking & Trust Company
300 Summers Street
Charleston, WV 25301
Routing No.: 051503394
Account No.: 5270517317
Account Name: State of West Virginia

OP ID: MI

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 02/04/11

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Commercial Insurance Services 340 MacCorkle Ave. Ste #200 Charleston, WV 25314 Trip King 304-345-8000 304-345-8014	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS: PRODUCER CUSTOMER ID #: PRINC-7
INSURED City of Princeton 100 Courthouse Road Princeton, WV 24740	INSURER(S) AFFORDING COVERAGE / NAIC # INSURER A : Argonaut Great Central Ins. Co INSURER B : INSURER C : INSURER D : INSURER E : INSURER F :

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY [X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER [ ] POLICY [ ] PRO-JECT [ ] LOC			PE-4613907-04	07/01/10	07/01/11	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG Emp Ben.	$ 2,000,000 $ 500,000 $ N/A $ 2,000,000 $ 6,000,000 $ 6,000,000 $ 2,000,000
A	AUTOMOBILE LIABILITY [X] ANY AUTO [ ] ALL OWNED AUTOS [ ] SCHEDULED AUTOS [X] HIRED AUTOS [X] NON-OWNED AUTOS			PE-4613907-04	07/01/10	07/01/11	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 2,000,000 $ $ $
A	[ ] UMBRELLA LIAB [X] OCCUR [X] EXCESS LIAB [ ] CLAIMS-MADE [ ] DEDUCTIBLE [X] RETENTION $			PE-4613907-04	07/01/10	07/01/11	EACH OCCURRENCE AGGREGATE	$ 2,000,000 $ 2,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y / N [ ] If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		PE-4613907-04	07/01/10	07/01/11	[ ] WC STATU-TORY LIMITS [ ] OTH-ER E L EACH ACCIDENT E L DISEASE - EA EMPLOYEE E L DISEASE - POLICY LIMIT	$ 1,000,000 $ 1,000,000 $ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Certificate Holder is additional insured as respects Sanitary Board Treatment Plant Upgrade.

CERTIFICATE HOLDER

WVWDCHA

WV Water Development Authority
180 Association Drive
Charleston, WV 25311

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street SE
Charleston, WV 25304
Phone: (304) 926-0495
Fax: (304) 926-0463

Earl Ray Tomblin, Governor
Randy C. Huffman, Cabinet Secretary
www.dep.wv.gov

February 23, 2011

Michael E. Saffel, General Manager
Princeton Sanitary Board
P. O. Box 4950
Princeton, WV 24740

CERTIFIED RETURN RECEIPT REQUESTED

Re: WV/NPDES Permit Modification
WV0023094-A, Mercer County

Dear Mr. Saffel:

This correspondence shall serve as Modification No. 1 of your existing WV/NPDES Water Pollution Control Permit No. WV0023094 issued the 3rd day of March 2009.

After review and consideration of the information submitted on, and with, Permit Modification Application No. WV0023094-A, dated the 16th day of September 2010, the plans and specifications, and other relevant information, the subject Permit is hereby modified to incorporate, and effectuate, the following data and changes, respectively.

1. To acquire, construct, install, operate and maintain the improvements and expansion of the existing 3.6 million gallons per day (MGD) wastewater treatment plant to a 4.9 MGD plant with major improvements comprised of refurbishing the WWTP pump station, construction of an additional 60-ft diameter secondary clarifier with sludge return piping and return activated sludge control system, construction of a new primary clarifier for additional stormwater flow treatment, construction of a new autothermophilic aerobic digester system to replace the existing anaerobic digester, construction of a new ultraviolet disinfection system to treat the recombined primary treated CSO flows and the secondary treated plant flows, installation of new primary sludge pumps, refurbishing existing primary clarifiers and aeration basins, constructing new screening and grit removal facilities and replacing pumps at the First Street Pump Station,providing liquid sludge storage in one-half of refurbished primary tank, a new covered, dewatered sludge storage area, installing a new secondary blower, new control/monitoring systems and all requisite appurtenances necessary to complete the project.

2. The proposed improvements will reduce the number of CSO events, provide full secondary treatment for up to 6.7 MGD, and provide primary treatment of additional flows when the capacity of the secondary treatment plant is exceeded, and provide ultraviolet disinfection for both the primary and secondary treated flows prior to discharge from Outlet 002. The proposed sludge processing improvements will reduce the amount of sludge that is hauled to the landfill and will result in the production of Class A biosolids. The treatment system reliability will be improved through improvements to the standby power system and replacement of aging equipment. The increased capacity of the treatment plant will also provide capacity for future connections of additional customers.

3. The expanded/upgraded facilities are to serve a population equivalent of approximately 36,000 persons in the City of Princeton, the Oakvale Road Public Service District, a portion of the Green Valley-Glenwood Public Service District, and environs, and discharge treated wastewater through Outlet No. 002 to Brush Creek of the Bluestone River of Bluestone Lake of the New River of the Kanawha River.

4. The wastewater treatment plant expansion/upgrade project shall be constructed in accordance with the plans and specifications, approved the 16th day of September 2010, and any approved addenda, thereto, prepared by Stafford Consultants Incorporated; 1105 Mercer Street; Post Office Box 5849; Princeton, WV 24740, and entitled "Princeton Sanitary Board; WWTP Expansion/Upgrade; Mercer County, West Virginia; EDA Project No. 01-01-08685; SRF Project No. C-544281; August 2010".

5. Effluent discharge limitations and other monitoring requirements commensurate with the upgraded facility are prescribed in Section A.002 attached to this modification.

6. As the permittee is switching from chlorination/dechlorination to UV disinfection for the combined flow from the upgraded WWTP, total residual chlorine effluent limitations are not necessary at Outlet 002. The permittee must modify its permit and obtain prior approval before using chlorination as a means of disinfection at Outlet 002.

7. The permittee shall notify this Division when the upgrade to the wastewater treatment plant is complete. Upon completion of the upgrade to the wastewater treatment plant, the permittee shall use the Outlet 002 Discharge Monitoring Report (DMR) to report effluent sampling results. Until that time, the permittee shall continue to comply with the monitoring and limitations imposed in Section A.001 of the existing permit and use the DMR for Outlet 001.

8. Upon initiation of operation of the upgraded wastewater treatment plant, Section C.16 on page 25 of 46 shall be replaced with the following.

   The average daily design flow of the existing Publicly Owned Treatment Works has been established at 4.9 million gallons per day. When the average monthly effluent flow reported on Discharge Monitoring Reports reaches, or exceeds, 90 percent of the average design flow (4.41 million gallons per day) during three (3) consecutive monthly periods, the permittee shall submit a Plan of Action to the Director. The

Plan of Action shall present, at a minimum, an analysis of current hydraulic and organic loadings on the plant, an analysis of the future projected loadings, and a Schedule of Tasks to accomplish procedures necessary to maintain required treatment levels.

If the permittee experiences flows greater than 90 percent of average design flow during three (3) consecutive months, and can demonstrate that such flows resulted from the maximization of wet weather flow through the Publicly Owned Treatment Works, in accordance with the Combined Sewer System Overflow requirements of this Permit, then submission of the following information will satisfy the above requirement for the submission of a Plan of Action.

9. Upon initiation of operation of the new wastewater treatment plant, Section C.17 on page 26 of 46 shall be replaced with the following.

   Any future collection system extensions projected to cause an increase in the wastewater flow, equal to, or greater than, 245,000 gallons per day (five (5) percent of the design flow) shall require the permittee to contact the Director to secure approval of the extension. After consideration of the complexity of the project, and the available treatment capacity of the facility, the Director may require the permittee to seek approval through Modification of the Permit.

10. Upon initiation of operation of the new wastewater treatment plant, Section C.18 on page 26 of 46 shall be replaced with the following.

    The permittee operates and maintains a Combined Sewer System (CSO), and as a result must implement the needed procedures in order to effectuate compliance with the terms and conditions of the Federal Combined Sewer Overflow Policy and the State Combined Sewer Overflow Strategy. Maximization of flow to the wastewater treatment plant is a requirement. The permittee has determined that the wastewater treatment plant is capable of handling a flow of 6.7 MGD through its secondary treatment train without impacting compliance with the concentration effluent discharge limitations for five (5) day Biochemical Oxygen Demand, Total Suspended Solids, and Ammonia Nitrogen. In order to afford the permittee opportunity to implement maximization, mass limitations for these parameters have been established utilizing a flow of 6.7 MGD.

Enclosed are incorporated Section A.002 pages 9A – 9F of 46 and the corresponding Discharge Monitoring Report. These documents shall supersede, as designated, the ones currently in your possession, and should be appropriately incorporated into your existing WV/NPDES Water Pollution Control Permit.

All other terms and conditions of the subject WV/NPDES Water Pollution Control Permit shall remain in effect and unchanged. If you have any question in this regard, please contact Rubina Tabassum, P.E. of this office at (304)-926-0499 ext. 1096.

Sincerely,

Scott G. Mandirola
Director

SGM:rt

cc: E.E. Supervisor
E.E Inspector
U.S. EPA Region 3

A.002 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Summer May 1-Oct 31

During the period beginning Upon Start-Up of Upgraded WWTP and lasting through midnight March 2, 2014 the permittee is authorized to discharge from Outlet Number(s) 002 (Sanitary)

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

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units	Other Units			Units	Measurement Frequency	Sample Type
Flow,in Conduit or thru plant (Year Round) (ML-1)	N/A	N/A	N/A	Rpt Only Min.	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mgd	Continuous	measured
BOD, 5-Day 20 Deg.C (Summer May 1-Oct 31) (ML-A)	559 Avg. Monthly	1118 7 Day Average	Lbs/Day	N/A	10 Avg. Monthly	20 Max. Daily	mg/l	2/week	8 hr comp
Total Suspended Solids (Year Round) (ML-A)	1676 Avg. Monthly	2514 7 Day Average	Lbs/Day	N/A	30 Avg. Monthly	45 7 Day Average	mg/l	2/week	8 hr comp
BOD, % Removal (Year Round) (ML-K)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	4/Month	Calculated
Suspended Solids, % Removal (Year Round) (ML-K)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	4/Month	Calculated
Coliform, Fecal (Year Round) (ML-A)	N/A	N/A	N/A	N/A	200 Mo. Geo. Mean	400 Max. Daily	Cnts/100ml	4/Week	Grab
pH (Year Round) (ML-A)	N/A	N/A	N/A	6 Inst. Min.	N/A	9 Inst. Max.	S.U.	5days/week	Grab
Dissolved Oxygen (Year Round) (ML-A)	N/A	N/A	N/A	6 Inst. Min.	N/A	N/A	mg/l	2/week	Grab
Ammonia Nitrogen (Summer May 1-Oct 31) (ML-A)	112 Avg. Monthly	223 Max. Daily	Lbs/Day	N/A	2 Avg. Monthly	4 Max. Daily	mg/l	2/week	8 hr comp

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
All effluent samples shall be collected at, or near as possible to, the point of discharge. Effluent BOD5 samples shall be properly labeled and then reseeded, in accordance with approved procedures, prior to analysis.

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

A.002 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Summer May 1-Oct 31

During the period beginning Upon Start-Up of Upgraded WWTP and lasting through midnight March 2, 2014 the permittee is authorized to discharge from Outlet Number(s) 002 (Sanitary)

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

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units		Other Units		Units	Measurement Frequency	Sample Type
Nitrogen, Total (as N) (Year Round) (ML-A)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	8 hr comp
Phosphorus, Total (Year Round) (ML-A)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	8 hr comp
Copper, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	8 hr comp
Lead, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	8 hr comp
Zinc, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	8 hr comp
Arsenic, Total (as As) (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	8 hr comp
Cadmium, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	8 hr comp
Chromium, Hexavalent (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	8 hr comp
Cyanide, Weak Acid Dissociable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	Grab

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

All effluent samples shall be collected at, or near as possible to, the point of discharge. Effluent BOD5 samples shall be properly labeled and then reseeded, in accordance with approved procedures, prior to analysis.

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

A.002 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Summer May 1-Oct 31

During the period beginning Upon Start-Up of Upgraded WWTP and lasting through midnight March 2, 2014 the permittee is authorized to discharge from Outlet Number(s) 002 (Sanitary)

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

Effluent Characteristic	Discharge Limitations						Monitoring Requirements	
	Quantity		Units	Other Units		Units	Measurement Frequency	Sample Type
Mercury, Total (as Hg) (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	ug/l	1/quarter	Grab
Nickel, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	8 hr comp
Silver, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	8 hr comp
Hardness, Total (as CaCO3) (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/6 months	8 hr comp
Chronic Tox-Ceriodaphnia Dubia (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	TUc	1/year	8 hr comp
Chronic Toxicity - Pimephales (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	TUc	1/year	8 hr comp

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

All effluent samples shall be collected at, or near as possible to, the point of discharge. Effluent BOD5 samples shall be properly labeled and then reseeded, in accordance with approved procedures, prior to analysis.

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

A.002 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Winter Nov 1-Apr 30

During the period beginning Upon Start-Up of Upgraded WWTP and lasting through midnight March 2, 2014 the permittee is authorized to discharge from Outlet Number(s) 002 (Sanitary)

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

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units	Other Units			Units	Measurement Frequency	Sample Type
Flow,in Conduit or thru plant (Year Round) (ML-1)	N/A	N/A	N/A	Rpt Only Min.	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mgd	Continuous	measured
BOD, 5-Day 20 Deg.C (Winter Nov 1-Apr 30) (ML-A)	1118 Avg. Monthly	2235 7 Day Average	Lbs/Day	N/A	20 Avg. Monthly	40 Max. Daily	mg/l	2/week	8 hr comp
Total Suspended Solids (Year Round) (ML-A)	1676 Avg. Monthly	2514 7 Day Average	Lbs/Day	N/A	30 Avg. Monthly	45 7 Day Average	mg/l	2/week	8 hr comp
BOD, % Removal (Year Round) (ML-K)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	4/Month	Calculated
Suspended Solids, % Removal (Year Round) (ML-K)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	4/Month	Calculated
Coliform, Fecal (Year Round) (ML-A)	N/A	N/A	N/A	N/A	200 Mo. Geo. Mean	400 Max. Daily	Cnts/100ml	4/Week	Grab
pH (Year Round) (ML-A)	N/A	N/A	N/A	6 Inst. Min.	N/A	9 Inst. Max.	S.U.	5days/week	Grab
Dissolved Oxygen (Year Round) (ML-A)	N/A	N/A	N/A	6 Inst. Min.	N/A	N/A	mg/l	2/week	Grab
Ammonia Nitrogen (Winter Nov 1-Apr 30) (ML-A)	223 Avg. Monthly	447 Max. Daily	Lbs/Day	N/A	4 Avg. Monthly	8 Max. Daily	mg/l	2/week	8 hr comp

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

All effluent samples shall be collected at, or near as possible to, the point of discharge. Effluent BOD5 samples shall be properly labeled and then reseeded, in accordance with approved procedures, prior to analysis.

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

A.002 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Winter Nov 1-Apr 30

During the period beginning Upon Start-Up of Upgraded WWTP and lasting through midnight March 2, 2014 the permittee is authorized to discharge from Outlet Number(s) 002 (Sanitary)

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

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units	Other Units		Units		Measurement Frequency	Sample Type
Nitrogen, Total (as N) (Year Round) (ML-A)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	8 hr comp
Phosphorus, Total (Year Round) (ML-A)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	8 hr comp
Copper, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	8 hr comp
Lead, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	8 hr comp
Zinc, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	8 hr comp
Arsenic, Total (as As) (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	8 hr comp
Cadmium, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	8 hr comp
Chromium, Hexavalent (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	8 hr comp
Cyanide, Weak Acid Dissociable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	Grab

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

All effluent samples shall be collected at, or near as possible to, the point of discharge. Effluent BOD5 samples shall be properly labeled and then reseeded, in accordance with approved procedures, prior to analysis.

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

A.002 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Winter Nov 1-Apr 30

During the period beginning Upon Start-Up of Upgraded WWTP and lasting through midnight March 2, 2014 the permittee is authorized to discharge from Outlet Number(s) 002 (Sanitary)

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

Effluent Characteristic	Discharge Limitations						Monitoring Requirements		
	Quantity		Units		Other Units		Units	Measurement Frequency	Sample Type
Mercury, Total (as Hg) (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	ug/l	1/quarter	Grab
Nickel, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	8 hr comp
Silver, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	8 hr comp
Hardness, Total (as CaCO3) (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/6 months	8 hr comp
Chronic Tox-Ceriodaphnia Dubia (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	TUc	1/year	8 hr comp
Chronic Toxicity - Pimephales (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	TUc	1/year	8 hr comp

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

All effluent samples shall be collected at, or near as possible to, the point of discharge. Effluent BOD5 samples shall be properly labeled and then reseeded, in accordance with approved procedures, prior to analysis.

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

WRD 2A-82

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

Final Limitations
Summer May 1-Oct 31

FACILITY NAME: (Princeton SAnitary Board) PRINCETON, CITY OF
LOCATION OF FACILITY: PRINCETON; Mercer County
PERMIT NO.: WV0023094 OUTLET NO.: 002
WASTELOAD FOR THE MONTH OF:

CERTIFIED LABORATORY NAME:
CERTIFIED LABORATORY ADDRESS:
INDIVIDUAL PERFORMING ANALYSIS:

Parameter		Quantity				Other Units						Measurement Frequency	Sample Type
				Units	N.E.				CEL*	Units	N.E.		
50050 (ML-1) RF-A Flow,in Conduit or thru plant Year Round	Reported												
	Permit Limits	N/A	N/A			Rpt Only Min.	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mgd		Continuous	measured
00310 (ML-A) RF-A BOD, 5-Day 20 Deg.C Summer May 1-Oct 31	Reported												
	Permit Limits	559 Avg. Monthly	1118 7 Day Average	Lbs/Day		N/A	10 Avg. Monthly	20 Max. Daily	N/A	mg/l		2/week	8 hr comp
00530 (ML-A) RF-A Total Suspended Solids Year Round	Reported												
	Permit Limits	1676 Avg. Monthly	2514 7 Day Average	Lbs/Day		N/A	30 Avg. Monthly	45 7 Day Average	N/A	mg/l		2/week	8 hr comp
81010 (ML-K) RF-A BOD, % Removal Year Round	Reported												
	Permit Limits	N/A	N/A			85 Month. Avg. Min.	N/A	N/A	N/A	Percent		4/Month	Calculated
81011 (ML-K) RF-A Suspended Solids, % Removal Year Round	Reported												
	Permit Limits	N/A	N/A			85 Month. Avg. Min.	N/A	N/A	N/A	Percent		4/Month	Calculated
74055 (ML-A) RF-A Coliform, Fecal Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	200 Mo. Geo. Mean	400 Max. Daily	N/A	Cnts/100m		4/Week	Grab
00400 (ML-A) RF-A pH Year Round	Reported												
	Permit Limits	N/A	N/A			6 Inst. Min.	N/A	9 Inst. Max.	N/A	S.U.		5days/week	Grab
00300 (ML-A) RF-A Dissolved Oxygen Year Round	Reported												
	Permit Limits	N/A	N/A			6 Inst. Min.	N/A	N/A	N/A	mg/l		2/week	Grab

* CEL = Compliance Evaluation Level

Name of Principal Executive Officer	I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of a fine and imprisonment for knowing violations.	Date Completed
Title of Officer		Signature of Principal Executive Officer or Authorized Agent

WRD 2A-82

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

Final Limitations
Summer May 1-Oct 31

FACILITY NAME: (Princeton SAnitary Board) PRINCETON, CITY OF
LOCATION OF FACILITY: PRINCETON; Mercer County
PERMIT NO.: WV0023094 OUTLET NO.: 002
WASTELOAD FOR THE MONTH OF:

CERTIFIED LABORATORY NAME:
CERTIFIED LABORATORY ADDRESS:
INDIVIDUAL PERFORMING ANALYSIS:

Parameter		Quantity				Other Units						Measurement Frequency	Sample Type
				Units	N.E.				CEL*	Units	N.E.		
00610 (ML-A) RF-A	Reported												
Ammonia Nitrogen	Permit Limits	112 Avg. Monthly	223 Max. Daily	Lbs/Day		N/A	2 Avg. Monthly	4 Max. Daily	N/A	mg/l		2/week	8 hr comp
Summer May 1-Oct 31													
00600 (ML-A) RF-B	Reported												
Nitrogen, Total (as N)	Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day		N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	8 hr comp
Year Round													
00665 (ML-A) RF-B	Reported												
Phosphorus, Total	Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day		N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	8 hr comp
Year Round													
01119 (ML-A) RF-B	Reported												
Copper, Total Recoverable	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	8 hr comp
Year Round													
01114 (ML-A) RF-B	Reported												
Lead, Total Recoverable	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	8 hr comp
Year Round													
01094 (ML-A) RF-B	Reported												
Zinc, Total Recoverable	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	8 hr comp
Year Round													
01002 (ML-A) RF-B	Reported												
Arsenic, Total (as As)	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	8 hr comp
Year Round													
01113 (ML-A) RF-B	Reported												
Cadmium, Total Recoverable	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	8 hr comp
Year Round													

* CEL = Compliance Evaluation Level

Name of Principal Executive Officer	I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of a fine and imprisonment for knowing violations.	Date Completed
Title of Officer		Signature of Principal Executive Officer or Authorized Agent

WRD 2A-82

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

Final Limitations
Summer May 1-Oct 31

FACILITY NAME: (Princeton SAnitary Board) PRINCETON, CITY OF
LOCATION OF FACILITY: PRINCETON; Mercer County
PERMIT NO.: WV0023094 OUTLET NO.: 002
WASTELOAD FOR THE MONTH OF:

CERTIFIED LABORATORY NAME:
CERTIFIED LABORATORY ADDRESS:
INDIVIDUAL PERFORMING ANALYSIS:

Parameter		Quantity				Other Units						Measurement Frequency	Sample Type
				Units	N.E.				CEL*	Units	N.E.		
01032 (ML-A) RF-B	Reported												
Chromium, Hexavalent	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	8 hr comp
Year Round													
00718 (ML-A) RF-B	Reported												
Cyanide, Weak Acid Dissociable	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	Grab
Year Round													
71900 (ML-A) RF-B	Reported												
Mercury, Total (as Hg)	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	ug/l		1/quarter	Grab
Year Round													
01074 (ML-A) RF-B	Reported												
Nickel, Total Recoverable	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	8 hr comp
Year Round													
01079 (ML-A) RF-B	Reported												
Silver, Total Recoverable	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	8 hr comp
Year Round													
00900 (ML-A) RF-C	Reported												
Hardness, Total (as CaCO3)	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/6 months	8 hr comp
Year Round													
61426 (ML-A) RF-D	Reported												
Chronic Tox-Ceriodaphnia Dubia	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	TUc		1/year	8 hr comp
Year Round													
61428 (ML-A) RF-D	Reported												
Chronic Toxicity - Pimephales	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	TUc		1/year	8 hr comp
Year Round													

* CEL = Compliance Evaluation Level

Name of Principal Executive Officer	I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of a fine and imprisonment for knowing violations.	Date Completed
Title of Officer		Signature of Principal Executive Officer or Authorized Agent

WRD 2A-82

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

Final Limitations
Winter Nov 1-Apr 30

FACILITY NAME: (Princeton SAnitary Board) PRINCETON, CITY OF
LOCATION OF FACILITY: PRINCETON; Mercer County
PERMIT NO.: WV0023094 OUTLET NO.: 002
WASTELOAD FOR THE MONTH OF:

CERTIFIED LABORATORY NAME:
CERTIFIED LABORATORY ADDRESS:
INDIVIDUAL PERFORMING ANALYSIS:

Parameter		Quantity		Units	N.E.	Other Units			CEL*	Units	N.E.	Measurement Frequency	Sample Type
50050 (ML-1) RF-A	Reported												
Flow,in Conduit or thru plant	Permit Limits	N/A	N/A			Rpt Only	Rpt Only	Rpt Only	N/A	mgd		Continuous	measured
Year Round						Min.	Avg. Monthly	Max. Daily					
00310 (ML-A) RF-A	Reported												
BOD, 5-Day 20 Deg.C	Permit Limits	1118	2235	Lbs/Day		N/A	20	40	N/A	mg/l		2/week	8 hr comp
Winter Nov 1-Apr 30		Avg. Monthly	7 Day Average				Avg. Monthly	Max. Daily					
00530 (ML-A) RF-A	Reported												
Total Suspended Solids	Permit Limits	1676	2514	Lbs/Day		N/A	30	45	N/A	mg/l		2/week	8 hr comp
Year Round		Avg. Monthly	7 Day Average				Avg. Monthly	7 Day Average					
81010 (ML-K) RF-A	Reported												
BOD, % Removal	Permit Limits	N/A	N/A			85	N/A	N/A	N/A	Percent		4/Month	Calculated
Year Round						Month. Avg. Min.							
81011 (ML-K) RF-A	Reported												
Suspended Solids, % Removal	Permit Limits	N/A	N/A			85	N/A	N/A	N/A	Percent		4/Month	Calculated
Year Round						Month. Avg. Min.							
74055 (ML-A) RF-A	Reported												
Coliform, Fecal	Permit Limits	N/A	N/A			N/A	200	400	N/A	Cnts/100m		4/Week	Grab
Year Round							Mo. Geo. Mean	Max. Daily					
00400 (ML-A) RF-A	Reported												
pH	Permit Limits	N/A	N/A			6	N/A	9	N/A	S.U.		5days/week	Grab
Year Round						Inst. Min.		Inst. Max.					
00300 (ML-A) RF-A	Reported												
Dissolved Oxygen	Permit Limits	N/A	N/A			6	N/A	N/A	N/A	mg/l		2/week	Grab
Year Round						Inst. Min.							

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Title of Officer		Signature of Principal Executive Officer or Authorized Agent

WRD 2A-82

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

Final Limitations
Winter Nov 1-Apr 30

FACILITY NAME: (Princeton SAnitary Board) PRINCETON, CITY OF
LOCATION OF FACILITY: PRINCETON; Mercer County
PERMIT NO.: WV0023094 OUTLET NO.: 002
WASTELOAD FOR THE MONTH OF:

CERTIFIED LABORATORY NAME:
CERTIFIED LABORATORY ADDRESS:
INDIVIDUAL PERFORMING ANALYSIS:

Parameter		Quantity				Other Units						Measurement Frequency	Sample Type
				Units	N.E.				CEL*	Units	N.E.		
00610 (ML-A) RF-A Ammonia Nitrogen Winter Nov 1-Apr 30	Reported			Lbs/Day		N/A	4 Avg. Monthly	8 Max. Daily	N/A	mg/l		2/week	8 hr comp
	Permit Limits	223 Avg. Monthly	447 Max. Daily										
00600 (ML-A) RF-B Nitrogen, Total (as N) Year Round	Reported			Lbs/Day		N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	8 hr comp
	Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily										
00665 (ML-A) RF-B Phosphorus, Total Year Round	Reported			Lbs/Day		N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	8 hr comp
	Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily										
01119 (ML-A) RF-B Copper, Total Recoverable Year Round	Reported					N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	8 hr comp
	Permit Limits	N/A	N/A										
01114 (ML-A) RF-B Lead, Total Recoverable Year Round	Reported					N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	8 hr comp
	Permit Limits	N/A	N/A										
01094 (ML-A) RF-B Zinc, Total Recoverable Year Round	Reported					N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	8 hr comp
	Permit Limits	N/A	N/A										
01002 (ML-A) RF-B Arsenic, Total (as As) Year Round	Reported					N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	8 hr comp
	Permit Limits	N/A	N/A										
01113 (ML-A) RF-B Cadmium, Total Recoverable Year Round	Reported					N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	8 hr comp
	Permit Limits	N/A	N/A										

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WRD 2A-82

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

Final Limitations
Winter Nov 1-Apr 30

FACILITY NAME: (Princeton SAnitary Board) PRINCETON, CITY OF
LOCATION OF FACILITY: PRINCETON; Mercer County
PERMIT NO.: WV0023094 OUTLET NO.: 002
WASTELOAD FOR THE MONTH OF:

CERTIFIED LABORATORY NAME:
CERTIFIED LABORATORY ADDRESS:
INDIVIDUAL PERFORMING ANALYSIS:

Parameter		Quantity				Other Units						Measurement Frequency	Sample Type
				Units	N.E.				CEL*	Units	N.E.		
01032 (ML-A) RF-B	Reported												
Chromium, Hexavalent	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	8 hr comp
Year Round													
00718 (ML-A) RF-B	Reported												
Cyanide, Weak Acid Dissociable	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	Grab
Year Round													
71900 (ML-A) RF-B	Reported												
Mercury, Total (as Hg)	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	ug/l		1/quarter	Grab
Year Round													
01074 (ML-A) RF-B	Reported												
Nickel, Total Recoverable	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	8 hr comp
Year Round													
01079 (ML-A) RF-B	Reported												
Silver, Total Recoverable	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	8 hr comp
Year Round													
00900 (ML-A) RF-C	Reported												
Hardness, Total (as CaCO3)	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/6 months	8 hr comp
Year Round													
61426 (ML-A) RF-D	Reported												
Chronic Tox-Ceriodaphnia Dubia	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	TUc		1/year	8 hr comp
Year Round													
61428 (ML-A) RF-D	Reported												
Chronic Toxicity - Pimephales	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	TUc		1/year	8 hr comp
Year Round													

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P.S.C. W. Va. No. 5
Canceling P.S.C. W. Va. No. 4

CITY OF PRINCETON, a municipal corporation

OF

PRINCETON, WEST VIRGINIA

RATES, RULES AND REGULATIONS FOR FURNISHING

SEWERAGE AND SEWAGE DISPOSAL SERVICE

at Princeton and vicinity, Mercer County, West Virginia

Filed with THE PUBLIC SERVICE COMMISSION
of
WEST VIRGINIA

RECEIVED
03 JUN -6 AM 9:14
W VA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

Issued May 29, 2008

Effective for all bills rendered on or after April 24, 2008
or as otherwise provided herein

Adopted by City Council

Issued by CITY OF PRINCETON, a municipal corporation

By Donald E. Clay
City Clerk
Title

RULES AND REGULATIONS

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

SCHEDULE 1

(C) APPLICABILITY

Applicable within the entire area served.

(C) AVAILABILITY

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

(C,I) RATES EFFECTIVE APRIL 24, 2008

First	2,500 gallons used per month	$6.20 Per 1,000 gallons
All Over	2,500 gallons used per month	$3.25 Per 1,000 gallons

(C,I) MINIMUM CHARGE (Customers with a metered water supply)

Each customer shall pay a minimum charge of $15.50 per month
(Equivalent to 2,500 gallons of water usage)

(C,I) FLAT-RATE CHARGE (Customers with a non-metered water supply)

Each customer shall pay a minimum charge of $22.00 per month
(Equivalent to 4,500 gallons of water usage)

SCHEDULE 1-A

(I) RATES EFFECTIVE ON OR AFTER MAY 1, 2009

First	2,500 gallons used per month	$8.50 Per 1,000 Gallons
All Over	2,500 gallons used per month	$4.00 Per 1,000 Gallons

(I) MINIMUM CHARGE (Customers with a metered water supply)

Each customer shall pay a minimum charge of $21.25 per month
(Equivalent to 2,500 gallons of water usage)

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

Each customer shall pay a minimum charge of $27.25 per month
(Equivalent to 4,000 gallons of water usage)

SCHEDULE 1 (Continued)

(C) 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.

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

A tap fee of the greater, $350.00 or the actual cost, solely determined by the Utility, 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

(C) RETURNED CHECK CHARGE

A service charge equal to actual bank charges will be imposed upon any customer whose check is returned by the bank for any reason.

(C,I) WATER DISCONNECT – RECONNECT – ADMINISTRATIVE FEES

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

(N) LEAK ADJUSTMENT

$2.00 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

(C) Indicates change in text
(I) Indicates increase
(N) Indicates new

SCHEDULE 1 (Continued)

(C) SECURITY DEPOSIT

In accordance with West Virginia law.

MULTIPLE OCCUPANCY

In apartment buildings, shopping centers, mobile homes, mobile home courts, or other multiple occupancy situations, each unit shall be required to pay no less than the minimum monthly charges as provided above.

(N) EFT, CREDIT CARD AND DROP-BOX PAYMENTS

A service charge will be imposed on EFT, Credit Card or Drop Box payments. Payment shall consist of actual charges from the financial institution for processing payment.

(N) BILL REPRINT FEE

A charge of $1.00 will be assessed to customers who do not present the bar coded section of bill provided by the Sanitary Board with payment.

(O) UNMETERED USERS, RESIDENTIAL

(C) Indicates change in text
(N) Indicates new
(O) Indicates omission

SCHEDULE II

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

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

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

S - The surcharge in dollars

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

R - The measured monthly rainfall, in inches

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

C - The Utility=s approved rate per thousand gallons of metered water usage.

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

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

SCHEDULE III

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

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

$$Ci = VoVi + BoBi + SoSi$$

Ci = charge to unusual users per year

Vo = average unit cost of transport and treatment chargeable to volume, in dollars per gallon

Vi = volume of waste water from unusual users, in gallons per year

Bo = average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per year

Bi = weight of BOD from unusual users, in pounds per year

So = average unit costs of treatment (including sludge treatment chargeable to total solids, in dollars per pound)

Si = weight of total solids from unusual users, in pounds per year

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

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

SCHEDULE IV

(N) APPLICABLE INSIDE AND OUTSIDE OF THE LIMITS OF THE UTILITY

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

(N)

SCHEDULE V

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for wastewater and leachate haulers.

RATES

Commodity Charge – Each customer shall pay a commodity charge of $50.00 per 1,000 gallons per load. Load will be the actual capacity of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined, or verified solely, by the Utility.

DELAYED PAYMENT PENALTY

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

(C) RETURNED CHECK CHARGE

A service charge equal to actual bank charges will be imposed upon any customer whose check is returned by the bank for any reason.

(N) Indicates new
(C) Indicates change in text

SCHEDULE VI

(N) RESALE SEWER SERVICE (Effective April 24, 2008)
$3.50 per 1,000 gallons for all resale customers.

(I) RESALE SEWER SERVICE (Effective on or after May 1, 2009)
$4.00 per 1,000 gallons for all resale customers.

(N) Indicates new
(I) Indicates increase

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A NAME & PHONE OF CONTACT AT FILER [optional]
William K. Bragg, Jr. (304) 346-7000

B SEND ACKNOWLEDGMENT TO: (Name and Address)

William K. Bragg, Jr.
Goodwin & Goodwin, LLP
300 Summers Street, Suite 1500
Charleston, WV 25301-1678

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1 DEBTOR'S EXACT FULL LEGAL NAME – insert only one debtor name (1a or 1b) – do not abbreviate or combine names

1a ORGANIZATION'S NAME: City of Princeton

OR

1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

1c MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
100 Courthouse Road	Princeton	WV	24740	USA

1d TAX ID # SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	1e TYPE OF ORGANIZATION	1f JURISDICTION OF ORGANIZATION	1g ORGANIZATIONAL ID #, if any
55-6000237		Municipality	West Virginia	X NONE

2 ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME – insert only one debtor name (2a or 2b) – do not abbreviate or combine names

2a ORGANIZATION'S NAME:

OR

2b INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

2d TAX ID # SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	2e TYPE OF ORGANIZATION	2f JURISDICTION OF ORGANIZATION	2g ORGANIZATIONAL ID #, if any
				☐ NONE

3 SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) – insert only one secured party name (3a or 3b)

3a ORGANIZATION'S NAME: West Virginia Water Development Authority, for the benefit of the Department of Environmental Protection

3c MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
180 Association Drive	Charleston	WV	25311-1571	USA

4 This FINANCING STATEMENT covers the following collateral

Statutory mortgage lien on accounts, revenues, sewer system and other property as provided by Bond Ordinance authorizing the issuance of $9,100,000 City of Princeton, Sewer Revenue Bond, Series 2011 (WV SRF Program), and by Chapter 16, Article 13 of the Code of West Virginia of 1931, as amended.

This Financing Statement is filed in connection with a public-finance transaction of the City of Princeton, Mercer County, West Virginia. Pursuant to the provisions of Section 46-9-515(b) of the Code of West Virginia of 1931, as amended, this financing statement shall be effective for a period of forty (40) years from its date of filing, unless the underlying debt is repaid sooner.

5. ALTERNATIVE DESIGNATION [if applicable] ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed [for record](or recorded) in the REAL ESTATE RECORDS Attach Addendum [if applicable]

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)

ARTICLE 13

SEWAGE WORKS OF MUNICIPAL CORPORATIONS AND SANITARY DISTRICTS

Section

16–13–1. Acquisition, operation, etc., of works; acquisition of property; issua bonds.
16–13–2. Sanitary board to supervise and control construction, etc., of appointment of board; definitions.
16–13–3. Powers of sanitary board; contracts; employees; compensation tl extensions and improvements; replacement of damaged public
16–13–4. Payment of preliminary expenses of surveys, etc.
16–13–5. Ordinance necessary before acquisition or construction of works.
16–13–6. Publication and hearing upon ordinance.
16–13–7. Acquisition by condemnation or purchase.
16–13–8. Cost of works.
16–13–9. Contracts and obligations incurred to be paid for solely by revenue
16–13–10. Interest on and redemption of bonds; form; statement on face of negotiability; exemption from taxation; registration; execution; disposition of surplus proceeds; additional and temporary bonds.
16–13–11. Additional bonds to extend or improve works.
16–13–12. Additional bonds for extension, etc., of works to have equal priorit original bonds.
16–13–13. Application of revenue from bonds; lien.
16–13–14. Securing bonds by trust indenture.
16–13–15. Sinking fund; transfer of balance of net revenues.
16–13–16. Rates for service; deposit required for new customers; forfeitu deposit; reconnecting deposit; tenant's deposit; change or re ment; hearing; lien and recovery; discontinuance of services.
16–13–17. Government units subject to established rates.
16–13–18. Supervision of works by sanitary board; organization of board; qu tions, terms and compensation of members.
16–13–18a. Publication of financial statement.
16–13–19. Contract with other municipalities for service of works; powers of le to rates; intercepting sewers.
16–13–20. Discharge of lien on property acquired.
16–13–21. Action on certificates or attached coupons; receivers.
16–13–22. Powers conferred in addition to existing powers; jurisdiction outsid porate limits.
16–13–22a. Grants, loans and advances.
16–13–22b. Contracts for abatement of pollution.
16–13–22c. Refunding bonds.
16–13–22d. Subordination of bonds.
16–13–22e. Operating contract.
16–13–22f. Exemption of bonds from taxation.
16–13–22g. Covenants with bondholders.
16–13–23. Article deemed full authority for construction, etc., of works and is bonds; alternative method; powers of state department of health fected.
16–13–23a. Additional powers of municipality upon receipt of order to cease pol
16–13–24. Article to be construed liberally.

§ 16–13–1. Acquisition, operation, etc., of works; acquisition of property; issuance of bonds

(a) Any municipal corporation and/or sanitary district in the state of West Virginia is hereby authorized and empowered to own, acquire, construct, equip, operate and maintain within and/or without the corporate limits of such municipal corporation:

(1) A sewage collection system and/or a sewage treatment plant or plants, intercepting sewers, outfall sewers, force mains, pumping stations, ejector stations, and all other appurtenances necessary or useful and convenient for the collection and/or treatment, purification and disposal, in a sanitary manner, of the liquid and solid waste, sewage, night soil and industrial waste of such municipal corporation and/or sanitary district, including acquisition of the municipal sewerage system resulting from the severance of a combined system pursuant to section one-b, article twenty, chapter eight of this code; and

(2) A stormwater collection system and control system, including all lines, pumping stations and all other facilities and appurtenances necessary or useful and convenient for the collection and control of stormwater, and an associated stormwater management program.

(b) Any municipal corporation and/or sanitary district in the state of West Virginia is hereby authorized and empowered to acquire by gift, grant, purchase, condemnation, or otherwise, all necessary lands, rights-of-way and property therefor, within and/or without the corporate limits of such municipal corporation and/or sanitary district, and to issue revenue bonds to pay the cost of such works and property.

(c) Any municipality may serve and supply the facilities of such sewerage system and a stormwater system and associated stormwater management program within the corporate limits of the municipality and within the area extending twenty miles beyond the corporate limits of such municipality: Provided, however, That the municipality may not serve or supply the facilities of such sewerage system or stormwater system within the corporate limits of any other municipality without the consent of the governing body thereof: Provided, That for stormwater systems, within the twenty miles beyond the municipality's corporate limits the only areas the municipality may serve and supply shall be those areas from which stormwater affects or drains into the municipality.

(d) No obligations shall be incurred by any municipality and/or sanitary district in construction or acquisition except such as is payable solely from the funds provided under the authority of this article.

(e) No municipal corporation or sanitary district may acquire, construct, establish, extend, repair or equip or thereafter repair, maintain and operate a combined waterworks, sewerage or stormwater system, which includes highways, road and drainage easements, and/or stormwater facilities constructed,

owned and/or operated by the West Virginia Division of Highways witho express agreement of the commissioner of highways.

Acts 1933, Ex. Sess., c. 25, § 1; Acts 1955, c. 132; Acts 1986, c. 118; Acts 2001, eff. 90 days after April 14, 2001.

Library References

Municipal Corporations ⇐270, 708, 711, 950. Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 153 to 1709.

Notes of Decisions

Construction and application 1
Jurisdiction 7
Police power 3
Power to incur indebtedness and expenditures 6
Public improvements 5
Regulation of public utilities 2
Revenue bonds for construction 4

1. Construction and application

Statutes dealing with municipally owned and operated sewer systems should be read and construed together. Code, 8-4-20, 16-13-1, 16-13-2, 16-13-16, 24-1-1 et seq., 24-2-1 et seq., 24-3-1 et seq. Delardas v. Morgantown Water Commission, 1964, 137 S.E.2d 426, 148 W.Va. 776. Statutes ⇐ 223.2(21)

Statutes relating to supervision and regulation of public utilities by Public Service Commission and statute dealing with municipally owned sewer systems relate to the same subject and should be read and construed together. Code, 16-13-1 et seq., 24-1-1 et seq. State ex rel. City of Wheeling v. Renick, 1960, 116 S.E.2d 763, 145 W.Va. 640. Statutes ⇐ 223.2(27)

2. Regulation of public utilities

Under West Virginia Act authorizing municipalities to construct sewage collection systems and sewage treatment plants and to issue revenue bonds to pay cost thereof, money used in preliminary engineering work prior to actual beginning of construction of sewage disposal system is not required to be handled by sanitary board, but board is merely required to supervise and control the construction and maintenance of the project. Code W.Va. 16–13–16, 16–13–18, 16–13–32. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Health ⇐ 369

Under statute declaring that words "public utility" shall include any person or persons, or association of persons including municipalities, engaged in any business which is a public service, sewer system owned and operated by city was a "public utility" and Public Service Commission was vested with jurisdiction to supervise or regulate municipal sewer system and to hear proceeding seeking extension of sewer services, and power of Commission to si and regulate sewer system was not wit or impaired by statutes authorizing m corporation to own, construct and r sewer system under control of a Sanitar and authorizing Board to operate and such systems and to order and comp extensions that Board might deem ex Code, 16–13–1 et seq., 16–13–2, 16–13–5, 16–13–16, 16–13–18, 1(24–1–1, 24–2–1, 24–3–1. State ex rel. Wheeling v. Renick, 1960, 116 S.E.2d W.Va. 640. Public Utilities ⇐ 113

Public Service Commission has power and authority to control charges and services of all public utili to hear complaints of persons entitlec vices which such utilities afford, subjec limitation that the requirements shall contrary to law and that they be just just and reasonable, and just and prope 16–13–1 et seq., 24–1–1 et seq. Stat City of Wheeling v. Renick, 1960, 11(763, 145 W.Va. 640. Public Utilities Public Utilities ⇐ 119.1

3. Police power

Statute delegating to municipal cor power by ordinance to create sanitar and authorizing such sanitary boards into contracts for construction of sewe tems is a valid exercise of police power Code, 16–13–1 et seq. West Virgin Service Co. v. Cunningham, 1957, 9 891, 143 W.Va. 1. Constitutional Law Health ⇐ 358

Legislature may delegate police pow ies or counties, as it sees fit. Brewer Point Pleasant, 1934, 172 S.E. 717, 1 572. Constitutional Law ⇐ 2437; tional Law ⇐ 2438

4. Revenue bonds for construction

Plan of preparation expense in cor of municipal sewage treatment and dis tem constituted one of first items of incurred and constituted a liability, acc agreements between municipality an Works Agency which advanced mone such expense, from moment constru

gan, and, therefore, repayment of such advancements from proceeds of future revenue bond issues could not be held unlawful on ground that such payment would impair bondholders' security. Code W.Va. 16-13-16, 16-13-18, 16-13-22, 16-13-32; War Mobilization and Reconversion Act of 1944, § 101 et seq., 58 Stat. 785. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations ⇦ 950(15)

In action to cancel certain sewer revenue bonds issued by West Virginia City and to enjoin collection of sewerage service charges assessed for the purpose of liquidating such bonds, District Court was bound by decisions of Supreme Court of Appeals of West Virginia upholding the constitutionality of statute permitting municipalities to issue bonds for self-liquidating municipal projects. Laws W.Va.1933, 1st Ex.Sess., c. 25, as amended by Laws W.Va. 1933, 2nd Ex.Sess., c. 48. Stevenson v. City of Bluefield, 1941, 39 F.Supp. 462. Federal Courts ⇦ 433

City located on or near state boundary and confronted with necessity of purchasing property and erecting sewage disposal plant in adjoining state held authorized under statute to issue revenue bonds payable solely from revenues of such plant. Acts 1933, 1st Ex.Sess., c. 25, as amended by Acts 1933, 2d Ex.Sess., c. 48. Bernard v. City of Bluefield, 1936, 186 S.E. 298, 117 W.Va. 556. Municipal Corporations ⇦ 919

5. Public improvements

Under contract between municipal sanitary board and contractor requiring contractor to bear cost and expense of damage to surface, overhead or subsurface structures in construction of sanitary sewer system, contractor was liable to water company for expense of removal of all water and other pipes under streets which interfered with construction of sewer system. Code, 16–13–1 et seq., 16–13–17, 16–13–24. West Virginia Water Service Co. v. Cunningham, 1957, 98 S.E.2d 891, 143 W.Va. 1. Municipal Corporations ⇦ 400

6. Power to incur indebtedness and expenditures

Obligations incurred by city under authority of West Virginia statute authorizing municipalities to construct sewage collection systems and sewage treatment plants and to issue revenue bonds to pay the cost thereof are not "debts" within provision of West Virginia Constitution containing limitations on power of a municipality to incur debts. Code W.Va. 11-8-26(1-4); 16-13-15, 16-13-16, 16-13-18, 16-13-19, 16-13-22, 16-13-27, 16-13-32; Const. art. 10, § 8. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations ⇦ 864(3)

7. Jurisdiction

Taxpayers of a city seeking to enjoin collection by city of sewerage service charges assessed for purpose of liquidating bonds issued for construction of sewerage system could not invoke jurisdiction of federal court on ground that by reason of prior decisions of state court upholding validity of statute, under which bonds were issued and rates assessed, plaintiffs did not have a plain, speedy and efficient remedy in state court within meaning of Judicial Code. Laws W.Va.1933, 1st Ex.Sess., c. 25, as amended by Laws W.Va.1933, 2nd Ex.Sess., c. 48; Jud.Code, § 24(1), 28 U.S.C.A. § 1312. Stevenson v. City of Bluefield, 1941, 39 F.Supp. 462. Federal Courts ⇦ 7; Federal Courts ⇦ 26.1

§ 16–13–2. Sanitary board to supervise and control construction, etc., of works; appointment of board; definitions

(a) The construction, acquisition, improvement, equipment, custody, operation and maintenance of any works for the collection, treatment or disposal of sewage and, in addition, for the collection and control of stormwater and the collection of revenues therefrom for the service rendered thereby, shall be under the supervision and control of a sanitary board appointed by the governing body as set forth in section eighteen of this article.

(b) As used in this article, the following terms shall have the following meanings unless the text clearly indicates otherwise.

(1) "Board" means the sanitary board as set up in section eighteen of this article.

(2) "Governing body" means the mayor and council or other legally constituted governing body of any municipality.

(3) "Municipality" means any municipal corporation, incorporatec town, village or sanitary district in the state of West Virginia.

(4) "Sewage works" means a works for the collection and/or trea purification and disposal of sewage, in its entirety or any integral part tl

(5) "Stormwater system" or "stormwater works" means a stormwat tem in its entirety or any integral part thereof used to collect and disp stormwater and an associated stormwater management program. It inclu facilities, structures and natural water courses used for collecting and co ing stormwater to, through and from drainage areas to the points of final including, but not limited to, any and all of the following: Inlets, co corals, outlets, channels, ponds, drainage easements, water quality fac catch basins, ditches, streams, gulches, flumes, culverts, syphons, retent detention basins, dams, floodwalls, levies, pipes, flood control systen pumping stations, and associated stormwater management program. Th "stormwater system" and " stormwater works" shall not include hig road and drainage easements, and/or stormwater facilities constructed, and/or operated by the West Virginia Division of Highways.

(6) "Stormwater management program" means those activities ass with the management, operation, maintenance and control of stormwat stormwater works, including, but not limited to, public education, storr and surface runoff water quality improvement, mapping, planning, floo trol, inspection, enforcement and any other activities required by sta federal law: Provided, That, as used in this article, "stormwater manag program" shall not include those activities associated with the manag operation, maintenance and control of highways, road and drainage ease and/or stormwater facilities constructed, owned and/or operated by th Virginia Division of Highways without the express agreement of the cc sioner of highways.

(7) "Works" means sewage works and stormwater works either separa collectively.

Acts 1933, Ex. Sess., c. 25, § 2; Acts 2001, c. 212, eff. 90 days after April 14, 200

Library References

Health ⇐369.
Municipal Corporations ⇐711.
Westlaw Topic Nos. 198H, 268.

C.J.S. Health and Environment §§ 7 to 17, 26 to 27, 44 to 45, 98 to 100.
C.J.S. Municipal Corporations § 153

Notes of Decisions

Construction and application 1
Construction of sewer systems 3
Public utilities 2

1. Construction and application

Statutes dealing with municipally owned and operated sewer systems should be read and construed together. Code, 8-4-20, 16-13-1, 16-13-2, 16-13-16, 24-1-1 et seq., 24-2-1 et seq., 24-3-1 et seq. Delardas v. Morgantown Water Commission, 1964, 137 S.E.2d 426, 1 776. Statutes ⇐ 223.2(21)

2. Public utilities

All contracts made by a utility relati public service must be deemed to be into in contemplation of the exercis state of its regulatory power whenever lic interest may make it necessary. County Public Service Sewer Dist. v. \

ginia Public Service Com'n, 1998, 512 S.E.2d 201, 204 W.Va. 279. Public Utilities ⇐ 115

Under statute declaring that words "public utility" shall include any person or persons, or association of persons including municipalities, engaged in any business which is a public service, sewer system owned and operated by city was a "public utility" and Public Service Commission was vested with jurisdiction to supervise or regulate municipal sewer system and to hear proceeding seeking extension of sewer services, and power of Commission to supervise and regulate sewer system was not withdrawn or impaired by statutes authorizing municipal corporation to own, construct and maintain sewer system under control of a Sanitary Board and authorizing Board to operate and control such systems and to order and complete any extensions that Board might deem expedient. Code, 16–13–1 et seq., 16–13–2, 16–13–3, 16–13–5, 16–13–16, 16–13–18, 16–13–23, 24–1–1, 24–2–1, 24–3–1. State ex rel. City of Wheeling v. Renick, 1960, 116 S.E.2d 763, 145 W.Va. 640. Public Utilities ⇐ 113

3. Construction of sewer systems

Obligations incurred by city under authority of West Virginia statute authorizing municipalities to construct sewage collection systems and sewage treatment plants and to issue revenue bonds to pay the cost thereof are not "debts" within provision of West Virginia Constitution containing limitations on power of a municipality to incur debts. Code W.Va. 11-8-26(1-4); 16-13-15, 16-13-16, 16-13-18, 16-13-19, 16-13-22, 16-13-27, 16-13-32; Const. art. 10, § 8. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations ⇐ 864(3)

If sewer project is undertaken by municipality, whatever loans may have been made on faith of the revenue bonds as authorized under West Virginia law would or should be included in cost of the works and repaid out of proceeds of the bonds. Code W.Va. 11-8-26(1-4); 16-13-15, 16-13-16, 16-13-18, 16-13-19, 16-13-22, 16-13-27, 16-13-32; Const. art. 10, § 8. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations ⇐ 950(15)

§ 16–13–3. Powers of sanitary board; contracts; employees; compensation thereof; extensions and improvements; replacement of damaged public works

The board shall have power to take all steps and proceedings and to make and enter into all contracts or agreements necessary or incidental to the performance of its duties and the execution of its powers under this article: Provided, That any contract relating to the financing of the acquisition or construction of any works, or any trust indenture as provided for, shall be approved by the governing body of the municipality before the same shall be effective.

The board may employ engineers, architects, inspectors, superintendents, managers, collectors, attorneys, and other employees as in its judgment may be necessary in the execution of its powers and duties, and may fix their compensation, all of whom shall do the work as the board shall direct. All compensation and all expenses incurred in carrying out the provisions of this article shall be paid solely from funds provided under the authority of this article, and the board shall not exercise or carry out any authority or power herein given it so as to bind said board of said municipality beyond the extent to which money shall have been or may be provided under the authority of this article.

No contract or agreement with any contractor or contractors for labor and/or material, exceeding in amount the sum of ten thousand dollars, shall be made without advertising for bids, which bids shall be publicly opened and award made to the best bidder, with power in the board to reject any or all bids.

After the construction, installation, and completion of the works, or the acquisition thereof, the board shall operate, manage and control the same and may order and complete any extensions, betterments and improvements of and to the works that the board may consider expedient, if funds therefor be

available or are made available as provided in this article, and shall est rules and regulations for the use and operation of the works, and of sewers, stormwater conduits, and drains connected therewith so far a may affect the operation of such works, and do all things necessa expedient for the successful operation thereof, including, but not limit those activities necessary to comply with all federal and state requirer including stormwater and surface runoff water quality improvement act

The sanitary board may declare an emergency situation in the ev collector line breaks or vital treatment plant equipment failure and sh exempted from competitive bidding requirements and enter into direc chase agreements or contracts for the expenses. All public ways or public damaged or destroyed by the board in carrying out its authority unde article shall be restored or repaired by the board and placed in their o condition, as nearly as practicable, if requested so to do by proper aut out of the funds provided by this article.

Acts 1933, Ex. Sess., c. 25, § 3; Acts 1989, c. 133; Acts 2001, c. 143, eff. 90 da April 11, 2001; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

Historical and Statutory Notes

Acts 2001, c. 143, also amended this section to read:

"The board shall have power to take all steps and proceedings and to make and enter into all contracts or agreements necessary or incidental to the performance of its duties and the execution of its powers under this article: Provided, That any contract relating to the financing of the acquisition or construction of any such works, or any trust indenture as hereinafter provided for, shall be approved by the governing body of such municipality before the same shall be effective. The board may employ engineers, architects, inspectors, superintendents, managers, collectors, attorneys, and such other employees as in its judgment may be necessary in the execution of its powers and duties, and may fix their compensation, all of whom shall do such work as the board shall direct. All such compensation and all expenses incurred in carrying out the provisions of this article shall be paid solely from funds provided under the authority of this article, and the board shall not exercise or carry out any authority or power herein given it so as to bind said board of said municipality beyond the extent to which money shall have been or may be provided under the authority of this article. No contract or agreement with any contractor or contractors for labor and/or material, exceeding in amount the sum of ten thousand dollars, shall b without advertising for bids, which bids publicly opened and award made to bidder, with power in the board to rejec all bids. After the construction, installat completion of the works, or the ac thereof, the board shall operate, man control the same and may order and c any extensions, betterments and impro of and to the works that the board m expedient, if funds therefor be availabl made available as provided in this art shall establish rules and regulations fo and operation of the works, and of othe and drains connected therewith so far may affect the operation of such works all things necessary or expedient for cessful operation thereof. The sanitar may declare an emergency situation in of collector line breaks or vital treatm equipment failure and shall be exemp competitive bidding requirements ar into direct purchase agreements or con such expenses. All public ways or publ damaged or destroyed by the board in out its authority under this article sha stored or repaired by the board and p their original condition, as nearly as ble, if requested so to do by proper a out of the funds provided by this article

Library References

Health ⇐369.
Westlaw Topic No. 198H.

C.J.S. Health and Environment §§ 7 to 17, 26 to 27, 44 to 45, 98 to 100.

Notes of Decisions

Independent contractor 3
Police power of local authorities 1
Validity of municipal contracts 2

1. Police power of local authorities

Under the police power of the State, the Legislature has the power to provide for the protection of the safety, health, morals and general welfare of the public, and may delegate such powers to municipalities created by it. West Virginia Water Service Co. v. Cunningham, 1957, 98 S.E.2d 891, 143 W.Va. 1. Constitutional Law ⇐ 2437; Constitutional Law ⇐ 1066

Under statute delegating to municipal corporations power by ordinance to create sanitary boards and authorizing such boards to enter into contracts for construction of sewerage systems, ordinance creating sanitary board and authorizing such board to enter into contract for construction of sewerage system was valid exercise of police power of state delegated to city by statute. Code, 16–13–1 et seq. West Virginia Water Service Co. v. Cunningham, 1957, 98 S.E.2d 891, 143 W.Va. 1. Health ⇐ 358; Health ⇐ 369

2. Validity of municipal contracts

Contract between municipal sanitary board and contractor providing for construction of sanitary sewerage system in furtherance of exercise of police power of state and provisions of city ordinance was valid. West Virginia Water Service Co. v. Cunningham, 1957, 98 S.E.2d 891, 143 W.Va. 1. Municipal Corporations ⇐ 339(1)

3. Independent contractor

Where city had no right of control over contractor and sanitary board in construction of sanitary sewer system, contractor was "independent contractor". West Virginia Water Service Co. v. Cunningham, 1957, 98 S.E.2d 891, 143 W.Va. 1. Municipal Corporations ⇐ 400

§ 16–13–4. Payment of preliminary expenses of surveys, etc.

All necessary preliminary expenses actually incurred by the board of any municipality in the making of surveys, estimates of costs and of revenue, employment of engineers or other employees, the giving of notices, taking of options and all other expenses of whatsoever nature, necessary to be paid prior to the issue and delivery of the revenue bonds pursuant to the provisions of this article, may be met and paid in the following manner. Said board may from time to time certify such items of expense to the clerk or recorder of said municipality, directing him to pay the several amounts thereof, and thereupon said clerk or recorder shall at once draw a warrant or warrants upon the treasurer of said municipality, which warrant or warrants shall be paid out of the general funds of said municipality not otherwise appropriated, without a special appropriation being made therefor by the governing body; or, in case there are no general funds of such municipality not otherwise appropriated, the clerk or recorder shall recommend to the governing body the temporary transfer from other funds of such municipality of a sufficient amount to meet such items of expense, or the making of a temporary loan for such purpose, and such governing body shall thereupon at once make such transfer of funds, or authorize such temporary loan in the same manner that other temporary loans are made by such municipality: Provided, however, That the fund or funds of such municipality from which such payments are made shall be fully reimbursed and repaid by said board out of the first proceeds of the sale of revenue bonds hereinafter provided for, and before any other disbursements are made therefrom, and the amount so advanced to pay such preliminary expenses, shall be a first charge against the proceeds resulting from the sale of such revenue bonds until the same has been repaid as herein provided.

Acts 1933, Ex. Sess., c. 25, § 4.

Library References

Municipal Corporations ⇦288.
Westlaw Topic No. 268.
C.J.S. Municipal Corporations § 969.

Notes of Decisions

Construction planning expenses 2
Power to incur indebtedness and expenditures 1

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1. Power to incur indebtedness and expenditures

West Virginia municipalities are authorized to incur obligations for purpose of defraying preliminary expenses of sewer projects, provided repayment of such obligations is to be made solely from proceeds of revenue bonds, not from tax levies. Code W.Va. 11-8-26(1-4); 16-13-15, 16-13-16, 16-13-18, 16-13-19, 16-13-22, 16-13-27, 16-13-32; Const. art. 10, § 8. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations ⇦ 864(3)

2. Construction planning expenses

Plan of preparation expense in construction of municipal sewage treatment and disposal system constituted one of first items of expense incurred and constituted a liability, according to agreements between municipality and Federal Works Agency which advanced money to meet such expense, from moment construction began, and, therefore, repayment of such advancements from proceeds of future revenue bond issues could not be held unlawful on ground that such payment would impair bondholders' security. Code W.Va. 16-13-16, 16-13-18, 16-13-22, 16-13-32; War Mobilization and Reconversion Act of 1944, § 101 et seq., 58 Stat. 785. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations ⇦ 950(15)

Under West Virginia Act authorizing municipalities to construct sewage collection systems and sewage treatment plants and to issue revenue bonds to pay cost thereof, money r preliminary engineering work prior to beginning of construction of sewage c system is not required to be handled by s board, but board is merely required to su and control the construction and main of the project. Code W.Va. 16 16–13–18, 16–13–32. U.S. v. City of C ton, 1957, 149 F.Supp. 866. Health

United States, which was entitled t bursement for advances made to West ' city by Federal Works Agency for pur plan preparation for construction of p sewage treatment and disposal system not be entitled to general judgment aga but would be entitled to an order r repayment from existing or future reven proceeds and to four percent interest. V bilization and Reconversion Act of 194 et seq., 58 Stat. 785; Code W.Va. 38-4-5 53-1-1. U.S. v. City of Charleston, 19 F.Supp. 866. Municipal Corporations

In agreement between West Virginia Federal Works Administrator for advan used for purpose of plan preparation struction of proposed sewage treatment posal system, parties would be presu know extent of city's authority to make ing contract in such respect, and, th limitation imposed by West Virginia law would be read into the agreement. War zation and Reconversion Act of 1944, § seq., 501, 58 Stat. 785, 791; Code 11-8-26(1-4); 16-13-15, 16-13-16, 1 16-13-19, 16-13-22, 16-13-27, 16-13-32 W.Va. art. 10, § 8. U.S. v. City of Ch 1957, 149 F.Supp. 866. Municipal tions ⇦ 250

§ 16–13–5. Ordinance necessary before acquisition or construct works

Before any municipality shall construct or acquire any works und article, the governing body shall upon petition of the board, enact an orc or ordinances which shall: (a) Set forth a brief and general description works and, if the same are to be constructed, a reference to the preli report which shall heretofore have been prepared and filed by an e chosen by the board as aforesaid; (b) set forth the cost thereof estimatec engineer chosen as aforesaid; (c) order the construction or acquisition works; (d) direct that revenue bonds of the municipality shall be pursuant to this article in such an amount as may be found necessary to

cost of the works; and (e) contain such other provisions as may be necessary in the premises.

Acts 1933, Ex. Sess., c. 25, § 5.

Library References

Municipal Corporations ⇐293.
Westlaw Topic No. 268.
C.J.S. Municipal Corporations §§ 977 to 978.

Notes of Decisions

Power to incur indebtedness and expenditures 1

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1. Power to incur indebtedness and expenditures

West Virginia municipalities are authorized to incur obligations for purpose of defraying preliminary expenses of sewer projects, provided repayment of such obligations is to be made solely from proceeds of revenue bonds, not from tax levies. Code W.Va. 11-8-26(1-4); 16-13-15, 16-13-16, 16-13-18, 16-13-19, 16-13-22, 16-13-27, 16-13-32; Const. art. 10, § 8. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations ⇐ 864(3)

United States, which was entitled to reimbursement for advances made to West Virginia city by Federal Works Agency for purpose of plan preparation for construction of proposed sewage treatment and disposal system, would not be entitled to general judgment against city but would be entitled to an order requiring repayment from existing or future revenue bond proceeds and to four percent interest. War Mobilization and Reconversion Act of 1944, § 101 et seq., 58 Stat. 785; Code W.Va. 38-4-5, 38-4-6, 53-1-1. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations ⇐ 1037

If sewer project is undertaken by municipality, whatever loans may have been made on faith of the revenue bonds as authorized under West Virginia law would or should be included in cost of the works and repaid out of proceeds of the bonds. Code W.Va. 11-8-26(1-4); 16-13-15, 16-13-16, 16-13-18, 16-13-19, 16-13-22, 16-13-27, 16-13-32; Const. art. 10, § 8. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations ⇐ 950(15)

§ 16-13-6. Publication and hearing upon ordinance

After such ordinance shall have been adopted, an abstract of the ordinance, determined by the governing body to contain sufficient information as to give notice of the contents of such ordinance, together with the following described notice, shall be published as a Class II legal advertisement in compliance with the provisions of article three, chapter fifty-nine of this Code, and the publication area for such publication shall be the municipality. The notice shall state that said ordinance has been adopted, and that the municipality contemplates the issuance of the bonds described in the ordinance, and that any person interested may appear before the governing body upon a certain date, which shall not be less than ten days subsequent to the first date of publication of such abstract and notice which shall not be prior to the last date of publication of such 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: Provided, however, That if at such a hearing written protest is filed by thirty percent or more of the owners of real estate situate in said municipality, then the governing body of said municipality shall not take further action unless four fifths of the qualified members of the said governing body assent thereto.

Acts 1933, Ex. Sess., c. 25, § 6; Acts 1967, c. 105; Acts 1981, 1st Ex. Sess., c. 2.

Library References

Municipal Corporations ⇐294 to 300.
Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 979 to 988 to 1001.

§ 16–13–7. Acquisition by condemnation or purchase

Every such municipality shall have power to condemn any such works t acquired and any land, rights, easements, franchises and other property, re personal, deemed necessary or convenient for the construction of any works, or for extensions, improvements, or additions thereto, and in connec therewith may have and exercise all the rights, powers and privilege eminent domain granted to municipal corporations under the laws rel thereto. Title to property condemned shall be taken in the name of municipality. Proceedings for such appropriation of property shall be u and pursuant to the provisions of chapter fifty-four, of the Code of Virginia, one thousand nine hundred thirty-one, and acts amendatory supplemental thereto: Provided, That the municipality shall be unde obligation to accept and pay for any property condemned, and shall in no pay for any property condemned or purchased, except from the funds pro pursuant to this article; and in any proceedings to condemn, such orders be made as may be just to the municipality and to the owners of the prope be condemned, and an undertaking or other security may be required sec such owners against any loss or damage to be sustained by reason of the f of the municipality to accept and pay for the property, but such undertaki security shall impose no liability upon the municipality except such as m paid from the funds provided under the authority of this article. In event acquisition by purchase the board may obtain and exercise an option fro owner or owners of said property for the purchase thereof, or may enter i contract for the purchase thereof, and such purchase may be made upon terms and conditions, and in such manner as the board may deem prope event of the acquisition of any works already constructed by purcha condemnation, the board at or before the time of the adoption of the ordi described in section five hereof, shall cause to be determined what re replacements, additions, and betterments will be necessary in order tha works may be effective for their purpose, and an estimate of the cost of improvements shall be included in the estimate of the cost required by s five hereof, and such improvement shall be made upon the acquisition works and as a part of the cost thereof.

Acts 1933, Ex. Sess., c. 25, § 7.

Library References

Municipal Corporations ⇐287.
Westlaw Topic No. 268.

§ 16–13–8. Cost of works

The cost of the works shall be deemed to include the cost of acquisi construction thereof, the cost of all property, rights, easements, and fra deemed necessary or convenient therefor and for the improvements dete

upon as provided in this article; interest upon bonds prior to and during construction or acquisition and for six months after completion of construction or of acquisition of the improvement last mentioned; engineering and legal expenses; expense for estimates of cost and of revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, and such other expenses as may be necessary or incident to the financing herein authorized and the construction or acquisition of the works and the placing of the works in operation and the performance of the things herein required or permitted in connection with any thereof.

Acts 1933, Ex. Sess., c. 25, § 8.

Library References

Municipal Corporations ⇐288.
Westlaw Topic No. 268.
C.J.S. Municipal Corporations § 969.

Notes of Decisions

Monetary advances 2
Preliminary expenditures 1

1. Preliminary expenditures

Under West Virginia Act authorizing municipalities to construct sewage collection systems and sewage treatment plants and to issue revenue bonds to pay cost thereof, money used in preliminary engineering work prior to actual beginning of construction of sewage disposal system is not required to be handled by sanitary board, but board is merely required to supervise and control the construction and maintenance of the project. Code W.Va. 16–13–16, 16–13–18, 16–13–32. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Health ⇐ 369

2. Monetary advances

United States, which was entitled to reimbursement for advances made to West Virginia city by Federal Works Agency for purpose of plan preparation for construction of proposed sewage treatment and disposal system, would not be entitled to general judgment against city but would be entitled to an order requiring repayment from existing or future revenue bond proceeds and to four percent interest. War Mobilization and Reconversion Act of 1944, § 101 et seq., 58 Stat. 785; Code W.Va. 38-4-5, 38-4-6, 53-1-1. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations ⇐ 1037

Plan of preparation expense in construction of municipal sewage treatment and disposal system constituted one of first items of expense incurred and constituted a liability, according to agreements between municipality and Federal Works Agency which advanced money to meet such expense, from moment construction began, and, therefore, repayment of such advancements from proceeds of future revenue bond issues could not be held unlawful on ground that such payment would impair bondholders' security. Code W.Va. 16-13-16, 16-13-18, 16-13-22, 16-13-32; War Mobilization and Reconversion Act of 1944, § 101 et seq., 58 Stat. 785. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations ⇐ 950(15)

§ 16–13–9. Contracts and obligations incurred to be paid for solely by revenue bonds

Nothing in this article contained shall be so construed as to authorize or permit any municipality to make any contract or to incur any obligation of any kind or nature except such as shall be payable solely from the funds provided under this article. Funds for the payment of the entire cost of any of the works referred to in this article, exclusive of any portions of the cost that may be defrayed out of any grant or contribution, shall be provided by the issuance of revenue bonds of the municipality, the principal and interest of which shall be

payable solely from the fund herein provided for the payment, and the may not, in any respect, be a corporate indebtedness of the municipality, the meaning of any statutory or constitutional limitations thereon. details of the bonds shall be determined by ordinance or ordinances municipality.

Acts 1933, Ex. Sess., c. 25, § 9; Acts 1949, c. 93; Acts 2001, c. 212, eff. 90 da April 14, 2001.

Library References

Municipal Corporations ⇐870, 911, 950(15). Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 1579, 1581, 1647 to 1649, 1708

Notes of Decisions

Power of municipal corporations to contract 2
Power to incur indebtedness and expenditures 3
Preliminary expenditures 4
Preliminary proceedings and ordinances 5
Validity 1

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1. Validity

Statute authorizing municipalities to construct and finance self-liquidating sewer systems held constitutional (Acts 1933 [1st Ex.Sess.] c. 25). Brewer v. City of Point Pleasant, 1934, 172 S.E. 717, 114 W.Va. 572. Municipal Corporations ⇐ 266

2. Power of municipal corporations to contract

Under provisions of statute relating to contract with other municipalities for service of sewage works, city which ordered construction of sewage disposal plant was authorized to contract with town to provide that town would have the right to use part of the capacity of the plant in return for contributing to its cost and town was authorized to enter into such contracts with city for the use of the plant, and fact that town was unable to sell revenue bonds because it was not allowed to have part ownership in the plant or in the interceptor sewers did not mean that town was not liable for payments agreed to under the contracts, where city offered to buy the revenue bonds issued by the town. Code, 16-13-9, 16-13-19, 16-13-23a. City of Morgantown v. Town of Star City, 1973, 195 S.E.2d 166, 156 W.Va. 529. Municipal Corporations ⇐ 277

3. Power to incur indebtedness and expenditures

Obligations incurred by city under authority of West Virginia statute authorizing municipalities to construct sewage collection systems and sewage treatment plants and to issue revenue bonds to pay the cost thereof are not "debts" within provision of West Virginia Constitution containing limitations on power of a mu ty to incur debts. Code W.Va. 11-8 16-13-15, 16-13-16, 16-13-18, 16-13-22, 16-13-27, 16-13-32; Const. art U.S. v. City of Charleston, 1957, 149 866. Municipal Corporations ⇐ 864(3

West Virginia municipalities are auth incur obligations for purpose of defra liminary expenses of sewer projects, repayment of such obligations is to solely from proceeds of revenue bonds, tax levies. Code W.Va. 11-8-26(1-4); 16-13-16, 16-13-18, 16-13-19, 16-13-27, 16-13-32; Const. art. 10, § 8 City of Charleston, 1957, 149 F.Supp. 8 nicipal Corporations ⇐ 864(3)

If sewer project is undertaken by m ty, whatever loans may have been mad of the revenue bonds as authorized un Virginia law would or should be inc cost of the works and repaid out of pr the bonds. Code W.Va. 11-8-26(1-4); 16-13-16, 16-13-18, 16-13-19, 16-13-27, 16-13-32; Const. art. 10, § 8 City of Charleston, 1957, 149 F.Supp. 8 nicipal Corporations ⇐ 950(15)

Where statute authorizing municip issue bonds for self-liquidating munic ject, provided that bonds should not rate indebtedness, bonds held not "debts" within constitutional inhibit 1933 [1st Ex.Sess.] c. 25, §§ 9, 10, Brewer v. City of Point Pleasant, 1934 717, 114 W.Va. 572. Municipal Cor ⇐ 907

Provisions of statute relating to is municipal bonds constitute integral bonds regardless of whether include (Acts 1933 [1st Ex.Sess.] c. 25, §§ 9, 1 Brewer v. City of Point Pleasant, 1934 717, 114 W.Va. 572. Municipal Cor ⇐ 923

Statute permitting municipalities bonds for self-liquidating municipa held legitimate delegation of legislati

Acts 1933, 1st Ex.Sess., c. 25. Brewer v. City of Point Pleasant, 1934, 172 S.E. 717, 114 W.Va. 572. Constitutional Law ⇐ 2437; Municipal Corporations ⇐ 907

4. Preliminary expenditures

Under West Virginia Act authorizing municipalities to construct sewage collection systems and sewage treatment plants and to issue revenue bonds to pay cost thereof, money used in preliminary engineering work prior to actual beginning of construction of sewage disposal system is not required to be handled by sanitary board, but board is merely required to supervise and control the construction and maintenance of the project. Code W.Va. 16-13-16, 16-13-18, 16-13-32. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Health ⇐ 369

5. Preliminary proceedings and ordinances

Provision of sewer ordinance declaring that statutory mortgage lien should exist in favor of bondholders violated statute permitting municipalities to construct self-liquidating sewer systems, but declaration could be regarded as surplusage and did not affect validity of remainder of ordinance (Acts 1933 [1st Ex.Sess.] c. 25). Brewer v. City of Point Pleasant, 1934, 172 S.E. 717, 114 W.Va. 572. Municipal Corporations ⇐ 303(4)

§ 16-13-10. Interest on and redemption of bonds; form; statement on face of bond; negotiability; exemption from taxation; registration; execution; sale; disposition of surplus proceeds; additional and temporary bonds

Such revenue bonds shall bear interest at not more than twelve percent per annum, payable at such times, and shall mature at such time or times as may be determined by ordinance. Such bonds may be made redeemable before maturity at the option of the municipality, to be exercised by said board, at not more than the par value thereof and a premium of five percent, under such terms and conditions as may be fixed by the ordinance authorizing the issuance of the bonds. The principal and interest of the bonds may be made payable in any lawful medium. Said ordinance shall determine the form of the bonds, either coupon or registered, shall set forth any registration and conversion privileges, and shall fix the denomination or denominations of such bonds and the place or places of payment of the principal and interest thereof, which may be at any bank or trust company within or without the State. The bonds shall contain a statement on their face that the municipality shall not be obligated to pay the same or the interest thereon except from the special fund provided from the net revenues of the works. All such bonds shall be, and shall have and are hereby declared to have all the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State. Said bonds shall be exempt from all taxation, state, county and municipal. Such bonds shall be executed by the proper legally constituted authorities of the municipality, and be sealed with the corporate seal of the municipality, and in case any of the officers whose signatures appear on the bonds or coupons shall cease to be such officers, before delivery of such bonds, such signatures shall nevertheless be valid and sufficient for all purposes the same as if they had remained in office until such delivery. Such bonds shall be sold at a price not lower than a price, which when computed upon standard tables of bond values, will show a net return of not more than thirteen percent per annum to the purchaser upon the amount paid therefor, and the proceeds derived therefrom shall be used exclusively for the purposes for which said bonds are issued and same may be sold at one time or in parcels as funds are needed. Any surplus of bond proceeds over and above the cost of the works shall be paid into the sinking fund hereinafter provided. If the proceeds of the bonds, by error of calculation

or otherwise, shall be less than the cost of the works, additional bonds n like manner be issued to provide the amount of such deficit and, i otherwise provided in said ordinance authorizing the issuance of the bonc issued or in the trust indenture hereinafter authorized, shall be deemed tc the same issue and shall be entitled to payment without preference or p of the bonds first issued. Prior to the preparation of the definitive b temporary bonds may under like restrictions be issued with or withou pons, exchangeable for definitive bonds upon the issuance of the latter.

Acts 1933, Ex. Sess., c. 25, § 10; Acts 1970, c. 11; Acts 1980, c. 33; Acts 1981, Sess., c. 2.

Library References

Municipal Corporations ⇐922, 950(15). Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 1686, 1697, 1708 to 1709.

§ 16–13–11. Additional bonds to extend or improve works

The governing body may provide by said ordinance authorizing the is: of the bonds or in the trust indenture hereinafter referred to, that add bonds may thereafter be authorized and issued, at one time or from t time under such limitations and restrictions as may be set forth i ordinance and/or trust indenture, for the purpose of extending, impro bettering the works when deemed necessary in the public interest, sucl tional bonds to be secured and be payable from the revenues of the equally with all other bonds issued pursuant to said ordinance without ence or distinction between any one bond and any other definite bond the issuance of the latter.

Acts 1933, Ex. Sess., c. 25, § 11.

Library References

Municipal Corporations ⇐911, 950(15). Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 1649, 1708 to 1709.

§ 16–13–12. Additional bonds for extension, etc., of works to hav priority with original bonds

The governing body may provide by said ordinance authorizing the i: of the bonds or in the trust indenture hereinafter referred to, that ad bonds may thereafter be authorized and issued, at one time or from time, under such limitations and restrictions as may be set forth ordinance and/or trust indenture, for the purpose of extending, impro bettering the works when deemed necessary in the public interest, su tional bonds to be secured and be payable from the revenues of th equally with all other bonds issued pursuant to said ordinance without ence or distinction between any one bond and any other bond by re priority of issuance or otherwise.

Acts 1933, Ex. Sess., c. 25, § 12.

Library References

Municipal Corporations ⇐911, 950(15). Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 1647 to 1649, 1708 to 1709.

§ 16–13–13. Application of revenue from bonds; lien

All moneys received from any bonds issued pursuant to this article, after reimbursements and repayment to said municipality of all amounts advanced for preliminary expenses as provided in section four of this article, shall be applied solely to the payment of the cost of the work, extensions, improvements or betterments, or to the appurtenant sinking fund and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holders of the bonds or the trustees hereinafter provided for.

Acts 1933, Ex. Sess., c. 25, § 13.

Library References

Municipal Corporations ⇐911, 950(15). Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 1647 to 1649, 1708 to 1709.

Notes of Decisions

Preliminary expenditures 1
Repayment of loans 2

1. Preliminary expenditures

Under West Virginia Act authorizing municipalities to construct sewage collection systems and sewage treatment plants and to issue revenue bonds to pay cost thereof, money used in preliminary engineering work prior to actual beginning of construction of sewage disposal system is not required to be handled by sanitary board, but board is merely required to supervise and control the construction and maintenance of the project. Code W.Va. 16–13–16, 16–13–18, 16–13–32. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Health ⇐ 369

2. Repayment of loans

If sewer project is undertaken by municipality, whatever loans may have been made on faith of the revenue bonds as authorized under West Virginia law would or should be included in cost of the works and repaid out of proceeds of the bonds. Code W.Va. 11-8-26(1-4); 16-13-15, 16-13-16, 16-13-18, 16-13-19, 16-13-22, 16-13-27, 16-13-32; Const. art. 10, § 8. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations ⇐ 950(15)

United States, which was entitled to reimbursement for advances made to West Virginia city by Federal Works Agency for purpose of plan preparation for construction of proposed sewage treatment and disposal system, would not be entitled to general judgment against city but would be entitled to an order requiring repayment from existing or future revenue bond proceeds and to four percent interest. War Mobilization and Reconversion Act of 1944, § 101 et seq., 58 Stat. 785; Code W.Va. 38-4-5, 38-4-6, 53-1-1. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations ⇐ 1037

§ 16–13–14. Securing bonds by trust indenture

In the discretion of the governing body such bonds may be secured by a trust indenture by and between the municipality and a corporate trustee, which may be any trust company or bank having the powers of a trust company within the State of West Virginia but no such trust indenture shall convey or mortgage the works or any part thereof. The ordinance authorizing the revenue bonds and fixing the details thereof may provide that such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper, not in violation of law, including covenants setting forth the duties of the municipality and the board in relation to the construction or acquisition of the works and the improvement,

operation, repair, maintenance and insurance thereof, and the custody, guarding and application of all moneys, and may provide that the works be contracted for, constructed and paid for under the supervision and app of consulting engineers employed or designated by the board and satisfact the original bond purchasers, successors, assigns or nominees, who ma given the right to require the security given by contractors and by depository of the proceeds of bonds or revenues of the works or other m pertaining thereto be satisfactory to such purchasers, successors, assig nominees. Such indenture may set forth the rights and remedies o bondholders and/or such trustee, restricting the individual right of acti bondholders as is customary in trust indentures securing bonds and deber of corporations. Except as in this article otherwise provided, the gove body may provide by ordinance or in such trust indenture for the payme the proceeds of the sale of the bonds and the revenues of the works to officer, board or depository as it may determine for the custody thereof, ar the method of disbursement thereof, with such safeguards and restrictions may determine.

Acts 1933, Ex. Sess., c. 25, § 14.

Library References

Municipal Corporations ⇐911, 950(15). Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 1(1649, 1708 to 1709.

United States Code Annotated

Trust Indenture Act of 1939, see 15 U.S.C.A. § 77aaa et seq.

§ 16–13–15. Sinking fund; transfer of balance of net revenues

At or before the issuance of any such bonds the governing body shall b ordinance create a sinking fund, to be remitted to and administered by the Virginia municipal bond commission, for the payment of the bonds an interest thereon and the payment of the charges of banks or trust compani making payment of such bonds or interest, and shall set aside and ple sufficient amount of the net revenues of the works, hereby defined to mea revenues of the works remaining after the payment of the reasonable expe operation, repair and maintenance, such amount to be paid by the boar said sinking fund at intervals to be determined by ordinance prior to iss of the bonds, for: (a) The interest upon such bonds as such interest sha due; (b) the necessary fiscal agency charges for paying bonds and interes the payment of the bonds as they fall due, or, if all bonds mature at one the proper maintenance of a sinking fund in such amounts as are necessar sufficient for the payment thereof at such time; (d) a margin for safety a the payment of premiums upon bonds retired by call or purchase as l provided, which margin, together with any unused surplus of such m carried forward from the preceding year, shall equal ten percent of all amounts so required to be paid into the sinking fund. Such required pay shall constitute a first charge upon all the net revenue of the works. Pr the issuance of the bonds the board may by ordinance be given the right

or direct the West Virginia municipal bond commission to use such sinking fund or any part thereof in the purchase of any of the outstanding bonds payable therefrom at the market price thereof, but not exceeding the price, if any, at which the same shall in the same year be payable or redeemable, and all bonds redeemed or purchased shall forthwith be cancelled and shall not again be issued. After the payments into such fund as herein required, the board may at any time in its discretion transfer all or any part of the balance of the net revenues, after reserving an amount deemed by the board sufficient for operation, repair and maintenance for an ensuing period of not less than twelve months and for depreciation, into the sinking fund or into a fund for extensions, betterments and additions to the works. The amounts of the balance of the net revenue as and when so set apart shall be remitted to the West Virginia municipal bond commission to be retained and paid out by said commission consistent with the provisions of this article and with the ordinance pursuant to which such bonds have been issued. The West Virginia municipal bond commission is hereby authorized to act as fiscal agent for the administration of such sinking fund, under any ordinance passed pursuant to the provisions of this article, and shall invest all such sinking funds as provided by general law. Notwithstanding the foregoing, payments of principal and interest on any bonds owned by the United States of America or any agency or department thereof may be made by the governing body directly thereto.

Acts 1933, Ex. Sess., c. 25, § 15; Acts 1933, 2nd Ex. Sess., c. 48; Acts 1986, c. 118.

Library References

Municipal Corporations ⇐951.
Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 1704 to 1705.

§ 16-13-16. Rates for service; deposit required for new customers; forfeiture of deposit; reconnecting deposit; tenant's deposit; change or readjustment; hearing; lien and recovery; discontinuance of services

The governing body shall have power, and it shall be its duty, by ordinance, to establish and maintain just and equitable rates, fees or charges for the use of and the service rendered by:

(a) Sewerage works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses such works by or through any part of the sewerage system of the municipality, or that in any way uses or is served by such works.

(b) Stormwater works, to be paid by the owner of each and every lot, parcel of real estate, or building that in any way uses or is served by such stormwater works or whose property is improved or protected by the stormwater works or any user of such stormwater works.

(c) The governing body may change and readjust such rates, fees or charges from time to time. However, no rates, fees or charges for stormwater services may be assessed against highways, road and drainage easements and/or storm-

water facilities constructed, owned and/or operated by the West Virgi division of highways.

(d) All new applicants for service shall indicate to the governing b whether they are an owner or tenant with respect to the service locati

(e) The governing body may collect from all new applicants for servic deposit of fifty dollars or two twelfths of the average annual usage of applicant's specific customer class, whichever is greater, to secure the paym of service rates, fees and charges in the event they become delinquent provided in this section. In any case where a deposit is forfeited to pay ser rates, fees and charges which were delinquent at the time of disconnectio termination of service, no reconnecting or reinstatement of service may made by the governing body until another deposit equal to fifty dollars or a equal to two twelfths of the average usage for the applicant's specific custo class, whichever is greater, is remitted to the governing body. After tw months of prompt payment history, the governing body shall return the dep to the customer or credit the customer's account with interest at a rate as public service commission may prescribe: *Provided,* That where the custom a tenant, the governing body is not required to return the deposit until the t the tenant discontinues service with the governing body. Whenever any r fees, rentals or charges for services or facilities furnished remain unpaid f period of twenty days after the same become due and payable, the user o services and facilities provided is delinquent and the user is liable at law all rates, fees and charges are fully paid. The governing body may, u reasonable rules promulgated by the public service commission, shut off discontinue water services to a delinquent user of sewer facilities ten days the sewer services become delinquent regardless of whether the governing b utilizes the security deposit to satisfy any delinquent payments.

(f) Such rates, fees or charges shall be sufficient in each year for the payr of the proper and reasonable expense of operation, repair, replacements maintenance of the works and for the payment of the sums herein require be paid into the sinking fund. Revenues collected pursuant to this section be considered the revenues of the works.

(g) No such rates, fees or charges shall be established until after a p hearing, at which all the users of the works and owners of property served be served thereby and others interested shall have an opportunity to be h concerning the proposed rates, fees or charges.

(h) After introduction of the ordinance fixing such rates, fees or charges before the same is finally enacted, notice of such hearing, setting fortl proposed schedule of such rates, fees or charges, shall be given by public as a Class II–0 legal advertisement in compliance with the provisions of a three, chapter fifty-nine of this code, and the publication area for such pul tion shall be the municipality. The first publication shall be made at lea days before the date fixed in such notice for the hearing.

(i) After such hearing, which may be adjourned from time to time ordinance establishing rates, fees or charges, either as originally introduc

as modified and amended, shall be passed and put into effect. A copy of the schedule of such rates, fees and charges so established shall be kept on file in the office of the board having charge of the operation of such works, and also in the office of the clerk of the municipality, and shall be open to inspection by all parties interested. The rates, fees or charges so established for any class of users or property served shall be extended to cover any additional premises thereafter served which fall within the same class, without the necessity of any hearing or notice.

(j) Any change or readjustment of such rates, fees or charges may be made in the same manner as such rates, fees or charges were originally established as hereinbefore provided: *Provided,* That if such change or readjustment be made substantially pro rata, as to all classes of service, no hearing or notice shall be required. The aggregate of the rates, fees or charges shall always be sufficient for such expense of operation, repair and maintenance and for such sinking fund payments.

(k) All rates, fees or charges, if not paid when due, shall constitute a lien upon the premises served by such works. If any service rate, fees or charge so established is not paid within twenty days after the same is due, the amount thereof, together with a penalty of ten percent, and a reasonable attorney's fee, may be recovered by the board in a civil action in the name of the municipality, and in connection with such action said lien may be foreclosed against such lot, parcel of land or building, in accordance with the laws relating thereto: *Provided,* That where both water and sewer services are furnished by any municipality to any premises the schedule of charges may be billed as a single amount or individually itemized and billed for the aggregate thereof.

(*l*) Whenever any rates, rentals, fees or charges for services or facilities furnished shall remain unpaid for a period of twenty days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities shall be delinquent until such time as all rates, fees and charges are fully paid. When any payment for rates, rentals, fees or charges becomes delinquent, the governing body may use the security deposit to satisfy the delinquent payment.

(m) The board collecting such rates, fees or charges shall be obligated under reasonable rules to shut off and discontinue both water and sewer services to all delinquent users of either water facilities, or sewer facilities or both, and shall not restore either water facilities or sewer facilities, to any delinquent user of either until all delinquent rates, fees or charges for both water facilities, and sewer facilities, including reasonable interest and penalty charges, have been paid in full.

Acts 1933, Ex. Sess., c. 25, § 16; Acts 1933, 2nd Ex. Sess., c. 48; Acts 1959, c. 125; Acts 1967, c. 105; Acts 2001, c. 212, eff. 90 days after April 14, 2001; Acts 2004, c. 185, eff. 90 days after March 12, 2004.

Library References

Municipal Corporations ⇐712.
Westlaw Topic No. 268.
C.J.S. Municipal Corporations § 1535.

Notes of Decisions

Construction and application 1
Public utilities 3
Rates and charges for service 2
Summary judgment 5
Water service termination 4

1. Construction and application

Statutes dealing with municipally owned and operated sewer systems should be read and construed together. Code, 8-4-20, 16-13-1, 16-13-2, 16-13-16, 24-1-1 et seq., 24-2-1 et seq., 24-3-1 et seq. Delardas v. Morgantown Water Commission, 1964, 137 S.E.2d 426, 148 W.Va. 776. Statutes ⇦ 223.2(21)

2. Rates and charges for service

If rates and charges set forth in ordinance and established by public service commission by its order should be considered improper for any valid reason, they may be challenged by any user of sewer services by complaint in proper proceeding before public service commission. Code, 8–4–20, 16–13–1, 16–13–2, 16–13–16, 24–1–1 et seq. Delardas v. Morgantown Water Commission, 1964, 137 S.E.2d 426, 148 W.Va. 776. Municipal Corporations ⇦ 712(8)

Where charges for use of sewer by sanitary board of city of Beckley were assessed to property owners according to quantity of water supplied subject to deduction of amount of water retained on premises to be determined by a meter installed by consumers and allowing deduction of costs thereof from amounts due on bills, such charges were not discriminatory, notwithstanding some users were financially unable to install meters. Code 16–13–30. Houchins v. City of Beckley, 1944, 32 S.E.2d 286, 127 W.Va. 306. Municipal Corporations ⇦ 712(7)

Party aggrieved by rates established for use of sewer could not resort to courts for relief, where he failed to exercise statutory remedy of appearing before governing body of municipality at public hearing (Acts 1933 [1st Ex.Sess.] c. 25). Brewer v. City of Point Pleasant, 1934, 172 S.E. 717, 114 W.Va. 572. Municipal Corporations ⇦ 712(8)

3. Public utilities

Under statute declaring that words "public utility" shall include any person or persons, or association of persons including municipalities, engaged in any business which is a public service, sewer system owned and operated by city was a "public utility" and Public Service Commission was vested with jurisdiction to supervise or regulate municipal sewer system hear proceeding seeking extension of sev vices, and power of Commission to su and regulate sewer system was not witl or impaired by statutes authorizing mu corporation to own, construct and m sewer system under control of a Sanitary and authorizing Board to operate and such systems and to order and compl extensions that Board might deem exp Code, 16–13–1 et seq., 16–13–2, 1 16–13–5, 16–13–16, 16–13–18, 16 24–1–1, 24–2–1, 24–3–1. State ex rel. Wheeling v. Renick, 1960, 116 S.E.2d 7 W.Va. 640. Public Utilities ⇦ 113

4. Water service termination

Any impairment of sewer revenue bo sued by cities providing for imposition against property for unpaid sewer cha statutory amendment precluding cities f taching lien to landlord's property for failure to pay sewer charges, was not "s tial impairment" and, thus, amendment violate constitutional prohibition agai pairment of contracts, where bond c acknowledged that parties' rights were to legislative regulation, contracts were modified, abridged right was not centra ties' undertaking, and prior legislation p utilities with far more effective remedy service termination for unpaid sewer U.S.C.A. Const. Art. 1, § 10, cl. 1; W.V §§ 8–18–23, 16–13–16. City of Charl Public Service Com'n of West Virginia, F.3d 385, certiorari denied 116 S.Ct. 4 U.S. 974, 133 L.Ed.2d 404. Constitutio ⇦ 2704; Municipal Corporations ⇦

5. Summary judgment

Allegation, in city's notice of motion f ment, that claim was for services of city system and penalty for nonpayment to board for a specified period of time defendant was owner of property serve specified sum was due by reason of a ordinance, when read in connection w fied itemized statement accompanying was insufficient to state a claim bas contract in absence of showing of rela of sanitary board to sewage system, m service and right of sanitary board to cl service, and demurrer to notice was sustained. Code 1937, 16–13–15 et seq. Beckley v. Craighead, 1943, 24 S.E.2d W.Va. 484. Judgment ⇦ 184

§ 16–13–17. Government units subject to established rates

The municipality and any county government, state government and government served by the services of the works shall be subject to th

fees, charges and rates established as provided in this article, or to fees, charges and rates established in harmony therewith, for service rendered the municipality, county, state or federal government and shall pay such rates, fees or charges when due from corporate funds and the same shall be considered to be a part of the revenues of the works as herein defined, and be applied as herein provided for the application of the revenues. However, no rates, fees or charges for stormwater services may be assessed against highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia Division of Highways.

Acts 1933, Ex. Sess., c. 25, § 17; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

Library References

Municipal Corporations ⇐712.
Westlaw Topic No. 268.
C.J.S. Municipal Corporations § 1535.

Notes of Decisions

In general 1

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1. In general

Under contract between municipal sanitary board and contractor requiring contractor to bear cost and expense of damage to surface, overhead or subsurface structures in construction of sanitary sewer system, contractor was liable to water company for expense of removal of all water and other pipes under streets which interfered with construction of sewer system. Code, 16-13-1 et seq., 16-13-17, 16-13-24. West Virginia Water Service Co. v. Cunningham, 1957, 98 S.E.2d 891, 143 W.Va. 1. Municipal Corporations ⇐ 400

§ 16-13-18. Supervision of works by sanitary board; organization of board; qualifications, terms and compensation of members

The governing body shall provide by ordinance the organization of the board, and that the custody, administration, operation and maintenance of such works shall be under the supervision and control of a sanitary board, created as herein provided.

Such sanitary board shall be composed of either the mayor of the municipality, or the city manager thereof, if said municipality shall have a city manager form of government, and two persons appointed by the governing body: Provided, That, in the event of an acquisition or merger of an existing works, the governing body may increase the membership to a maximum of four members in addition to the mayor or city manager of the municipality served by the board.

During the construction period, one of the members must be a registered professional engineer. The engineer member of the board need not be a resident of said municipality. After the construction of the plant has been completed, the engineer member may be succeeded by a person not an engineer. No officer or employee of the municipality, whether holding a paid or unpaid office, shall be eligible to appointment on said sanitary board until at least one year after the expiration of the term of his or her public office. The appointees shall originally be appointed for terms of two and three years respectively, and upon the expiration of each term and each succeeding term,

an appointment of a successor shall be made in like manner for a term o years. Vacancies shall be filled for an unexpired term in the same man the original appointment. Each member shall give such bond, if any, as r required by ordinance. The mayor or city manager shall act as chairman sanitary board, which shall elect a vice chairman from its members an designate a secretary and treasurer (but the secretary and the treasurer r one and the same), who need not be a member or members of the sa board. The vice chairman, secretary and treasurer shall hold office as s the will of the sanitary board.

The members of the sanitary board shall receive compensation fo services, either as a salary or as payments for meetings attended, governing body may determine, and shall be entitled to payment fo reasonable expenses incurred in the performance of their duties. The gov body shall fix the reasonable compensation of the secretary and treasure discretion, and shall fix the amounts of bond to be given by the treasur compensation, together with the expenses in this section referred to, sh paid solely from funds provided under the authority of this article. The sa board shall have power to establish bylaws, rules and regulations for it government.

Acts 1933, Ex. Sess., c. 25, § 18; Acts 1939, c. 96; Acts 1953, c. 146; Acts 1957, Acts 1992, c. 95; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

Library References

Health ⇐369.
Municipal Corporations ⇐711.
Westlaw Topic Nos. 198H, 268.

C.J.S. Health and Environment §§ 7 to 17, 26 to 27, 44 to 45, 98 to 100.
C.J.S. Municipal Corporations § 1535.

Notes of Decisions

Funds 4
Membership of sanitary boards 2
Powers and duties of sanitary boards 1
Public utilities 3

1. Powers and duties of sanitary boards

Under West Virginia Act authorizing municipalities to construct sewage collection systems and sewage treatment plants and to issue revenue bonds to pay cost thereof, money used in preliminary engineering work prior to actual beginning of construction of sewage disposal system is not required to be handled by sanitary board, but board is merely required to supervise and control the construction and maintenance of the project. Code W.Va. 16-13-16, 16-13-18, 16-13-32. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Health ⇐ 369

City which created sanitary board for purpose of erecting sewage disposal plant held authorized to incorporate such sanitary board as a nonstock corporation for purpose of being domesticated in Virginia as a sewage purification company under Virginia law, where no other way was pointed out by which city or sanitary board could under law of Virginia acqui erty in that state and carry out conte plan of erecting sewage disposal plan 1933, 1st Ex.Sess., c. 25, as amended 1933, 2d Ex.Sess., c. 48. Bernard v. Bluefield, 1936, 186 S.E. 298, 117 W.V Municipal Corporations ⇐ 277

2. Membership of sanitary boards

Where sanitary board created by mun optional for either mayor or city manag not both) to be appointed to board. 5 Op.Atty.Gen. 217 (February 9, 1967) 1 93382.

3. Public utilities

Under statute declaring that words utility" shall include any person or per association of persons including munici engaged in any business which is a pul vice, sewer system owned and operated was a "public utility" and Public Servic mission was vested with jurisdiction tc vise or regulate municipal sewer system hear proceeding seeking extension of se vices, and power of Commission to su

and regulate sewer system was not withdrawn or impaired by statutes authorizing municipal corporation to own, construct and maintain sewer system under control of a Sanitary Board and authorizing Board to operate and control such systems and to order and complete any extensions that Board might deem expedient. Code, 16–13–1 et seq., 16–13–2, 16–13–3, 16–13–5, 16–13–16, 16–13–18, 16–13–23, 24–1–1, 24–2–1, 24–3–1. State ex rel. City of Wheeling v. Renick, 1960, 116 S.E.2d 763, 145 W.Va. 640. Public Utilities ⇐ 113

4. Funds

Charleston Sanitary Board treasurer must deliver funds collected from sewer system users to Charleston city treasurer. 52 W.Va. Op.Atty. Gen. 497 (October 6, 1967) 1967 WL 93425.

§ 16–13–18a. Publication of financial statement

Every sanitary board shall prepare a financial statement and cause the same to be published as a Class I legal advertisement in compliance with the provisions of article three, chapter fifty-nine of this Code, and the publication area for such publication shall be the sanitary district. Such statement shall contain an itemized account of the receipts and expenditures of the board during the previous fiscal year, showing the source from which all money was derived, and the name of the person to whom an order was issued, together with the amount of such order, and why such order was issued, arranging the same under distinct heads, and including all money received and expended from the sale of bonds, and also a specific statement of the debts of such board, showing the purpose for which any debt was contracted, the amount of money in all funds at the end of the preceding year, and the amount of uncollected service charges. Such statement shall be prepared and published by the board as soon as practicable after the close of the fiscal year: Provided, That such statement for the fiscal year ending June thirtieth, one thousand nine hundred fifty-six, may be published any time during the year one thousand nine hundred fifty-seven. The statement shall be sworn to by the chairman and secretary and treasurer of the board. If a board fails or refuses to perform the duties hereinbefore named, every member of the board concurring in such failure or refusal shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not less than one hundred nor more than five hundred dollars and the circuit court or criminal court and justices of the peace, of the county where the offense was committed, shall have concurrent jurisdiction to try such offense.

Acts 1957, c. 138; Acts 1967, c. 105.

Acts 1976, c. 33, provided that all references to "justice of the peace" in the code of West Virginia mean "magistrate." See § 50–1–17.

Library References

Health ⇐369.
Municipal Corporations ⇐885.
Westlaw Topic Nos. 198H, 268.

C.J.S. Health and Environment §§ 7 to 9, 16 to 17, 26 to 27, 44 to 45, 98 to 100.
C.J.S. Municipal Corporations § 1628.

§ 16–13–19. Contract with other municipalities for service of works; powers of lessee as to rates; intercepting sewers

Any municipality operating a sewage collecting system and/or a sewage disposal plant or plants or stormwater works as defined in this article, or which

as herein provided has ordered the construction or acquisition of such w (in this section called the owner), is hereby authorized to contract with on more other municipal corporations or political subdivisions within the stat this section called the lessee), and such lessees are hereby authorized to e into contracts with the owners, for the service of such works to such les and their inhabitants, but only to the extent of the capacity of the works wit impairing the usefulness thereof to the owners, upon such terms and condit as may be fixed by the boards and approved by ordinances of the respe contracting parties: Provided, That no contract shall be made for a perio more than forty years or in violation of the provisions of said ordin authorizing bonds hereunder or in violation of the provisions of said indenture.

The lessee shall by ordinance have power to establish, change and a rates, fees and charges for the service rendered therein by the works agains owners of the premises served, in the manner hereinbefore provided establishing, changing and adjusting rates, fees and charges for the se rendered in the municipality where the works are owned and operated, such rates, fees or charges shall be collectible and shall be a lien as h provided for rates, fees and charges made by the owner.

The necessary intercepting sewers and appurtenant works for connectin works of the owner with the sewerage system of the lessee shall be constr by the owner and/or the lessee upon such terms and conditions as may b forth in said contract, and the cost or that part of the cost thereof which is borne by the owner may be paid as a part of the cost of the works fron proceeds of bonds issued under this article unless otherwise provided by ordinance or trust indenture prior to the issuance of the bonds. The inc received by the owner under any contract shall, if so provided in said ordin or trust indenture, be considered to be a part of the revenues of the works this article defined and be applied as herein provided for the application o revenues.

Acts 1933, Ex. Sess., c. 25, § 19; Acts 1981, 1st Ex. Sess., c. 2; Acts 2001, c. 212, e days after April 14, 2001.

Library References

Municipal Corporations ⇐328.
Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 10 1029.

Notes of Decisions

In general 1

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1. In general

Under provisions of statute relating to contract with other municipalities for service of sewage works, city which ordered construction of sewage disposal plant was authorized to contract with town to provide that town would have the right to use part of the capacity of the plant in return for contributing to its cost and town was authorized to enter into such contracts with city for the use of the plant, ar that town was unable to sell revenue because it was not allowed to have part c ship in the plant or in the interceptor sew not mean that town was not liable for pa agreed to under the contracts, where c fered to buy the revenue bonds issued town. Code, 16-13-9, 16-13-19, 16-1 City of Morgantown v. Town of Star City, 195 S.E.2d 166, 156 W.Va. 529. Mu Corporations ⇐ 277

§ 16–13–20. Discharge of lien on property acquired

No property shall be acquired under this article upon which any lien or other encumbrance exists, unless at the time such property is acquired a sufficient sum of money be deposited in trust to pay and redeem such lien or encumbrance in full.

Acts 1933, Ex. Sess., c. 25, § 20.

Library References

Municipal Corporations ⇐288(2).
Westlaw Topic No. 268.
C.J.S. Municipal Corporations § 969.

§ 16–13–21. Action on certificates or attached coupons; receivers

Any holder of any such certificates or any of the coupons attached thereto, and the trustee, if any, except to the extent the rights herein given may be restricted by said ordinance authorizing issuance of the bonds or by the trust indenture, may either at law or in equity, by suit, action, mandamus or other proceeding protect and enforce any and all rights granted hereunder or under such ordinance or trust indenture, and may enforce and compel performance of all duties required by this article or by such ordinance or trust indenture to be performed by the municipality issuing the bonds or by the board or any officer, including the making and collecting of reasonable and sufficient charges and rates for service rendered by the works. If there be any failure to pay the principal or interest of any of the bonds on the date therein named for such payment, any court having jurisdiction of the action may appoint a receiver to administer the works on behalf of the municipality and the bondholders and/or trustee, except as so restricted, with power to charge and collect rates sufficient to provide for the payment of the expenses of operation, repair and maintenance and also to pay any bonds and interest outstanding and to apply the revenues in conformity with this article and the said ordinance and/or trust indenture.

Acts 1933, Ex. Sess., c. 25, § 21.

Library References

Municipal Corporations ⇐937, 955.
Westlaw Topic No. 268.
C.J.S. Municipal Corporations §§ 1707, 1711.

§ 16–13–22. Powers conferred in addition to existing powers; jurisdiction outside corporate limits

The authority herein given shall be in addition to and not in derogation of any power existing in any municipality under any statutory or charter provisions which it may now have or hereafter adopt. For all purposes of this article, all municipal corporations shall have jurisdiction for twenty miles outside the corporate limits thereof: Provided, That for stormwater systems, within the twenty miles beyond the municipality's corporate limits the only areas the

municipality may serve and supply shall be those areas from which stormw affects or drains into the municipality.

The jurisdiction and authority provided by this section does not exten highways, road and drainage easements, and/or stormwater facilities constr ed, owned and/or operated by the West Virginia Division of Highways.

Acts 1933, Ex. Sess., c. 25, § 22; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

Library References

Municipal Corporations ⇐711.
Westlaw Topic No. 268.
C.J.S. Municipal Corporations § 1535.

§ 16–13–22a. Grants, loans and advances

Any municipality is authorized and empowered to accept loans or grants procure loans or temporary advances evidenced by notes or other negoti instruments issued in the manner, and subject to the privileges and limitati set forth with respect to bonds authorized to be issued under the provisior this article, for the purpose of paying part or all of the cost of acquisitio construction of said sewage works and the construction of betterments improvements thereto, and for the other purposes herein authorized, from authorized agency of the state or from the United States of America or federal or public agency or department of the United States or any pri agency, corporation or individual, which loans or temporary advances, in ing the interest thereon, may be repaid out of the proceeds of bonds autho to be issued under the provisions of this article, the revenues of the said se works or grants to the municipality from any agency of the state or fron United States of America or any federal or public agency or department c United States or any private agency, corporation or individual or from combination of such sources of payment, and to enter into the nece contracts and agreements to carry out the purposes hereof with any agen the state, the United States of America or any federal or public agen department of the United States, or with any private agency, corporatic individual. Any other provisions of this article to the contrary notwithstan interest on any such loans or temporary advances may be paid fron proceeds thereof until the maturity of such notes or other negotiable ir ment.

In no event shall any such loan or temporary advance be a general oblig of the municipality and such loans or temporary advances, includin interest thereon, shall be paid solely from the sources specified in this se

Acts 1949, c. 93; Acts 1961, c. 107; Acts 1980, c. 59; Acts 1981, 1st Ex. Sess., c. 2 1986, c. 118.

Library References

Municipal Corporations ⇐864(3).
Westlaw Topic No. 268.
C.J.S. Municipal Corporations §§ 1 1585, 1587.

Notes of Decisions

Power to incur indebtedness and expenditures 1
Repayment of loans and advances 2

1. Power to incur indebtedness and expenditures

Obligations incurred by city under authority of West Virginia statute authorizing municipalities to construct sewage collection systems and sewage treatment plants and to issue revenue bonds to pay the cost thereof are not "debts" within provision of West Virginia Constitution containing limitations on power of a municipality to incur debts. Code W.Va. 11-8-26(1-4); 16-13-15, 16-13-16, 16-13-18, 16-13-19, 16-13-22, 16-13-27, 16-13-32; Const. art. 10, § 8. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations ⇐ 864(3)

2. Repayment of loans and advances

United States, which was entitled to reimbursement for advances made to West Virginia city by Federal Works Agency for purpose of plan preparation for construction of proposed sewage treatment and disposal system, would not be entitled to general judgment against city but would be entitled to an order requiring repayment from existing or future revenue bond proceeds and to four percent interest. War Mobilization and Reconversion Act of 1944, § 101 et seq., 58 Stat. 785; Code W.Va. 38-4-5, 38-4-6, 53-1-1. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations ⇐ 1037

If sewer project is undertaken by municipality, whatever loans may have been made on faith of the revenue bonds as authorized under West Virginia law would or should be included in cost of the works and repaid out of proceeds of the bonds. Code W.Va. 11-8-26(1-4); 16-13-15, 16-13-16, 16-13-18, 16-13-19, 16-13-22, 16-13-27, 16-13-32; Const. art. 10, § 8. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. Municipal Corporations ⇐ 950(15)

Under agreement between West Virginia city and Federal Works Administrator, in accordance with the War Mobilization and Reconversion Act of 1944, West Virginia city incurred obligation to repay advances made for purpose of plan preparation for construction of proposed sewage treatment and disposal system if and when construction of the sewage treatment plant should be started and would not be obligated to repay the advances if the construction were not undertaken. War Mobilization and Reconversion Act of 1944, §§ 101 et seq., 501, 58 Stat. 785, 791. U.S. v. City of Charleston, 1957, 149 F.Supp. 866. United States ⇐ 82(1)

§ 16–13–22b. Contracts for abatement of pollution

When determined by its legislative body to be in the public interest and necessary for the protection of the public health, any municipality is authorized to enter into and perform contracts, whether long-term or short-term, with any industrial establishment for the provision and operation by the municipality of sewerage facilities to abate or reduce the pollution of waters caused by discharges of industrial wastes by the industrial establishment and the payment periodically by the industrial establishment to the municipality of amounts at least sufficient, in the determination of such legislative body, to compensate the municipality for the cost of providing (including payment of principal and interest charges, if any), and of operating and maintaining the sewerage facilities serving such industrial establishment.

Acts 1949, c. 93.

Library References

Municipal Corporations ⇐328.
Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 1027 to 1029.

§ 16–13–22c. Refunding bonds

Any municipality is authorized to issue refunding revenue bonds to refund, pay or discharge all or any part of its outstanding revenue bonds, including interest thereon, if any, in arrears or about to become due. The relevant provisions in this article pertaining to revenue bonds shall be equally applicable

in the authorization and issuance of refunding revenue bonds, including terms and security, the ordinance, the trust indenture, rates, or other aspec the bonds.

Acts 1949, c. 93.

Library References

Municipal Corporations ⇐913. Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 16 1648, 1651.

§ 16–13–22d. Subordination of bonds

Notwithstanding any other provisions to the contrary in this article, municipality authorizing the issuance of bonds under this article in an effc aid in the abatement or reduction of the pollution of any waters or streams provide in the ordinance authorizing the issuance of the bonds and in any indenture pertaining thereto that such bonds, or any additional bonds that thereafter be issued to extend or improve the works, shall, to the extent a the manner prescribed, be subordinated and be junior in standing, with re to the payment of principal and interest and the security thereof, to such bonds as are designated in the ordinance.

Acts 1949, c. 93.

Library References

Municipal Corporations ⇐950(15). Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 17 1709.

§ 16–13–22e. Operating contract

Any such municipality may enter into contracts or agreements with persons, firms or corporations for the operation and management o facilities and properties of said sewerage system, or any part thereof, for period of time and under such terms and conditions as shall be agreed between such municipality and such persons, firms or corporations. municipality shall have power to provide in the resolution authorizin issuance of bonds hereunder, or in any trust indenture, securing such b that such contracts or agreements shall be valid and binding upon the m pality as long as any of said bonds, or interest thereon, are outstandin unpaid.

Acts 1955, c. 132.

Library References

Municipal Corporations ⇐328. Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 1(1029.

§ 16–13–22f. Exemption of bonds from taxation

Said bonds and the interest thereon, together with all properties and fac of said municipality owned or used in connection with the works, and a moneys, revenues and other income of such municipality derived from

works shall be exempt from all taxation by the state of West Virginia or any county, municipality, political subdivision or agency thereof.

Acts 1955, c. 132; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

Library References

Taxation ⇐2316, 3519.
Westlaw Topic No. 371.

§ 16–13–22g. Covenants with bondholders

Any resolution authorizing the issuance of bonds hereunder, or any trust indenture with any bank or trust company within or without the state, for the security of the bonds, may contain covenants with the holders of such bonds as to:

(a) The purpose or purposes to which the proceeds of sale of such bonds, or the revenues derived from the sewerage system or stormwater system, may be applied and the securing, use and disposition thereof, including, if considered desirable, the appointment of a trustee or depositary for any of such funds;

(b) The pledging of all or any part of the revenues derived from the ownership, operation or control of such sewerage systems or stormwater system, including any part thereof heretofore or hereafter constructed or acquired or derived from any other sources, to the payment of the principal of or interest thereon of bonds issued hereunder and for such reserve or other funds as may be considered necessary or desirable;

(c) The fixing, establishing and collecting of such fees, rentals or other charges for the use of the services and facilities of such sewerage system or stormwater system, including the parts thereof heretofore or hereafter constructed or acquired and the revision of same from time to time, as will always provide revenues at least sufficient to provide for all expenses of operation, maintenance and repair of such sewerage system or stormwater system, the payment of the principal of and interest on all bonds or other obligations payable from the revenues of such sewerage system or stormwater system, and all reserve and other funds required by the terms of the ordinance authorizing the issuance of such bonds;

(d) The transfer from the general funds of the municipality to the account or accounts of such sewerage system or stormwater system of an amount equal to the cost of furnishing the municipality or any of its departments, boards or agencies with the services and facilities of such sewerage system or stormwater system;

(e) Limitations or restrictions upon the issuance of additional bonds or other obligations payable from the revenue of such sewerage system or stormwater system, and the rank or priority, as to lien and source and security for payment from the revenues of the sewerage system or stormwater system, between bonds payable from the revenues;

(f) The manner and terms upon which all bonds and other obligations issued hereunder may be declared immediately due and payable upon the happening

of a default in the payment of the principal of or interest thereon, or in performance of any covenant or agreement with bondholders, and the man and terms upon which defaults may be declared cured and the acceleratio the maturity of such bonds rescinded and repealed;

(g) Budgets for the annual operation, maintenance and repair of such sev age system or stormwater system and restrictions and limitations upon expe tures for such purposes, and the manner of adoption, modification, repea amendment thereof, including the approval of such budgets by consul engineers designated by holders of bonds issued hereunder;

(h) The amounts of insurance to be maintained upon such sewerage sys or stormwater system, or any part thereof, and the use and disposition of proceeds of any insurance;

(i) The keeping of books of account, relating to such undertakings and audit and inspection thereof, and the furnishing to the holders of bonds iss hereunder or their representatives, reports prepared, certified, or approvec accountants designated or approved by the holders of bonds issued hereun

(j) Such other additional covenants as shall be considered necessary desirable for the security of the holders of bonds issued hereunder, notw standing that other covenants are not expressly enumerated hereunder, it b the intention hereof to grant to the municipalities the power to make any all covenants or agreements necessary in order to secure greater marketab for bonds issued hereunder as fully and to the same extent as such covenant agreements could be made by a private corporation rendering similar serv and facilities and to grant such municipalities full and complete power to e into any contracts, covenants or agreements with holder of bonds iss hereunder not inconsistent with the constitution of the state of West Virgi

Acts 1955, c. 132; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

Library References

Municipal Corporations ⇐922.
Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 168 1686, 1697.

§ 16–13–23. Article deemed full authority for construction, etc., of w and issue of bonds; alternative method; powers of department of health unaffected

This article, shall, without reference to any other statute, be deemed authority for the construction, acquisition, improvement, equipment, ma nance, operation and repair of the works herein provided for and for issuance and sale of the bonds by this article authorized, and shall be const as an additional and alternative method therefor and for the financing the and no petition or election or other or further proceeding in respect to construction or acquisition of the works or to the issuance or sale of b under this article and no publication of any resolution, ordinance, notic proceeding relating to such construction or acquisition or to the issuanc sale of such bonds shall be required except such as are prescribed by

article, any provisions of other statutes of the State to the contrary notwithstanding: Provided, however, That all functions, powers and duties of the state department of health shall remain unaffected by this article.

Acts 1933, Ex. Sess., c. 25, § 23.

Library References

Municipal Corporations ⇐270, 906. Westlaw Topic No. 268.

C.J.S. Municipal Corporations §§ 1645 to 1646, 1702.

Notes of Decisions

Public utilities 1

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1. Public utilities

Under statute declaring that words "public utility" shall include any person or persons, or association of persons including municipalities, engaged in any business which is a public service, sewer system owned and operated by city was a "public utility" and Public Service Commission was vested with jurisdiction to supervise or regulate municipal sewer system and to hear proceeding seeking extension of sewer services, and power of Commission to supervise and regulate sewer system was not withdrawn or impaired by statutes authorizing municipal corporation to own, construct and maintain sewer system under control of a Sanitary Board and authorizing Board to operate and control such systems and to order and complete any extensions that Board might deem expedient. Code, 16–13–1 et seq., 16–13–2, 16–13–3, 16–13–5, 16–13–16, 16–13–18, 16–13–23, 24–1–1, 24–2–1, 24–3–1. State ex rel. City of Wheeling v. Renick, 1960, 116 S.E.2d 763, 145 W.Va. 640. Public Utilities ⇐ 113

§ 16–13–23a. Additional powers of municipality upon receipt of order to cease pollution

Notwithstanding any other provision contained in this article, and in addition thereto, the governing body of any municipal corporation which has received or which hereafter receives an order issued by the director of the division of environmental protection or the environmental quality board requiring such municipal corporation to cease the pollution of any stream or waters, is hereby authorized and empowered to fix, establish and maintain, by ordinance, just and equitable rates, fees or charges for the use of the services and facilities of the existing sewer system and/or stormwater system of such municipal corporation, and/or for the use of the services and facilities to be rendered upon completion of any works and system necessary by virtue of said order, to be paid by the owner, tenant or occupant of each and every lot or parcel of real estate or building that is connected with and uses any part of such sewer system or stormwater system, or that in any way uses or is served thereby, and may change and readjust such rates, fees or charges from time to time.

Such rates, fees or charges shall be sufficient for the payment of all the proper and reasonable costs and expenses of the acquisition and construction of plants, machinery and works for the collection and/or treatment, purification and disposal of sewage or stormwater, and the repair, alteration and extension of existing sewer facilities or stormwater facilities, as may be necessary to comply with such order of the director of the division of environmental protection or the environmental quality board, and for the operation, maintenance and repair of the entire works and system.

The governing body shall create, by ordinance, a sinking fund to accumulate and hold any part or all of the proceeds derived from rates or charges until

completion of the construction, to be remitted to and administered by municipal bond commission by expending and paying the costs and expens construction and operation in the manner as provided by said ordina

After the completion of the construction such rates, fees or charges sha sufficient in each year for the payment of the proper and reasonable costs expenses of operation, maintenance, repair, replacement and extension f time to time, of the entire sewer and works or entire stormwater wc

No such rates, fees or charges shall be established until after a pu hearing, at which all the potential users of the works and owners of prop served or to be served thereby and others shall have had an opportunity t heard concerning the proposed rates or charges.

After introduction of the ordinance fixing rates, fees or charges, and be the same is finally enacted, notice of such hearing, setting forth the prop schedule of rates, fees or charges, shall be given by publication of notice Class II-O legal advertisement in compliance with the provisions of ar three, chapter fifty-nine of this code, and the publication area for such pub tion is the municipality. The first publication shall be made at least ten (before the date fixed therein for the hearing.

After such hearing, which may be adjourned from time to time, the ordin establishing the rates, fees or charges, either as originally introduced o modified and amended, may be passed and put into effect. A copy of schedule of the rates, fees and charges so established shall be kept on file ir office of the sanitary board having charge of the construction and operatio such works, and also in the office of the clerk of the municipality, and sha open to inspection by all parties interested. The rates, fees or charge established for any class of users or property served shall be extended to c any additional premises thereafter served which fall within the same c without the necessity of any hearing or notice.

Any change or readjustment of rates, fees or charges may be made in same manner as rates, fees or charges were originally established as herei fore provided: Provided, That if such change or readjustment be made subs tially pro rata, as to all classes of service, no hearing or notice is requ

If any rate, fees or charge so established is not paid within thirty days the same is due, the amount thereof, together with a penalty of ten percent, a reasonable attorney's fee, may be recovered by the sanitary board of municipal corporation in a civil action in the name of the municip

Any municipal corporation exercising the powers given herein has auth to construct, acquire, improve, equip, operate, repair and maintain any pl machinery, or works necessary to comply with the order of the director o division of environmental protection or the environmental quality board, the authority provided herein to establish, maintain and collect rates, fe charges is an additional and alternative method of financing such works matters, and is independent of any other provision of this article insofar a article provides for or requires the issuance of revenue bonds or the impos of rates, fees and charges in connection with the bonds: Provided, That e

for the method of financing such works and matters, the construction, acquisition, improvement, equipment, custody, operation, repair and maintenance of any plants, machinery or works in compliance with an order of the director of the division of environmental protection or the environmental quality board, and the rights, powers, and duties of the municipal corporation and the respective officers and departments thereof, including the sanitary board, are governed by the provisions of this article: Provided, however, That the jurisdiction and authority provided by this section does not extend to highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia Division of Highways and no rates, fees or charges for stormwater services or costs of compliance may be assessed against highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia Division of Highways.

Acts 1955, c. 135; Acts 1967, c. 105; Acts 1994, c. 61; Acts 2001, c. 212, eff. 90 days after April 14, 2001.

Library References

Municipal Corporations ⇐712.
Westlaw Topic No. 268.
C.J.S. Municipal Corporations § 1535.

Notes of Decisions

In general 1

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1. In general

Under provisions of statute relating to contract with other municipalities for service of sewage works, city which ordered construction of sewage disposal plant was authorized to contract with town to provide that town would have the right to use part of the capacity of the plant in return for contributing to its cost and town was authorized to enter into such contracts with city for the use of the plant, and fact that town was unable to sell revenue bonds because it was not allowed to have part ownership in the plant or in the interceptor sewers did not mean that town was not liable for payments agreed to under the contracts, where city offered to buy the revenue bonds issued by the town. Code, 16-13-9, 16-13-19, 16-13-23a. City of Morgantown v. Town of Star City, 1973, 195 S.E.2d 166, 156 W.Va. 529. Municipal Corporations ⇐ 277

§ 16-13-24. Article to be construed liberally

This article being necessary for the public health, safety and welfare, it shall be liberally construed to effectuate the purpose thereof.

Acts 1933, Ex. Sess., c. 25, § 24.

Library References

Statutes ⇐235.
Westlaw Topic No. 361.
C.J.S. Statutes § 376.

Notes of Decisions

In general 1

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1. In general

Under contract between municipal sanitary board and contractor requiring contractor to bear cost and expense of damage to surface, overhead or subsurface structures in construction of sanitary sewer system, contractor was liable to water company for expense of removal of all water and other pipes under streets which interfered with construction of sewer system.

Note 1

Code, 16–13–1 et seq., 16–13–17, 16–13–24. West Virginia Water Service Co. v. Cunningham, 1957, 98 S.E.2d 891, 143 W.Va. 1 nicipal Corporations ⇐ 400

iction	Laws	Effective Date	Statutory Citation
.....	1985, c. 223	5-23-1985	Wyo.Stat.Ann. §§ 35-19-101 to 35-19-103.

of approval.

ARTICLE 13

SEWAGE WORKS AND STORMWATER WORKS

Section

Rates for service; deposit required for new customers; forfeiture of deposit; reconnecting deposit; tenant's deposit; change or readjustment; hearing; lien and recovery; discontinuance of services.

16-13-23a. Additional powers of municipality to cease pollution.

14. Securing bonds by trust indenture

United States Code Annotated

denture Act of 1939, see 15 U.S.C.A. seq.

16. Rates for service; deposit required for new customers; forfeiture of deposit; reconnecting deposit; tenant's deposit; change or readjustment; hearing; lien and recovery; discontinuance of services

ning body has the power and duty, by ordinance, to establish and maintain just and rates, fees or charges for the use of and the service rendered by:

erage works, to be paid by the owner of each and every lot, parcel of real estate or iat is connected with and uses such works by or through any part of the sewerage the municipality or that in any way uses or is served by such works; and

rmwater works, to be paid by the owner of each and every lot, parcel of real estate g that in any way uses or is served by such stormwater works or whose property is or protected by the stormwater works or any user of such stormwater works.

governing body may change and readjust such rates, fees or charges from time to wever, no rates, fees or charges for stormwater services may be assessed against road and drainage easements or stormwater facilities constructed, owned or by the West Virginia Division of Highways.

new applicants for service shall indicate to the governing body whether they are an tenant with respect to the service location. An entity providing stormwater service ide a tenant a report of the stormwater fee charged for the entire property and, if te, that portion of the fee to be assessed to the tenant.

governing body may collect from all new applicants for service a deposit of $50 or hs of the average annual usage of the applicant's specific customer class, whichever , to secure the payment of service rates, fees and charges in the event they become t as provided in this section. In any case where a deposit is forfeited to pay service s and charges which were delinquent at the time of disconnection or termination of ervice may not be reconnected or reinstated by the governing body until another ual to $50 or a sum equal to two twelfths of the average usage for the applicant's stomer class, whichever is greater, is remitted to the governing body. After twelve f prompt payment history, the governing body shall return the deposit to the or credit the customer's account with interest at a rate as the Public Service on may prescribe: *Provided*, That where the customer is a tenant, the governing ot required to return the deposit until the time the tenant discontinues service with ning body. Whenever any rates, fees, rentals or charges for services or facilities remain unpaid for a period of twenty days after they become due, the user of the

services and facilities provided is delinquent. The user is liable until all rates, fees and charges are fully paid. The governing body may, under reasonable rules promulgated by the Public Service Commission, shut off and discontinue water services to a delinquent user of sewer facilities ten days after the sewer services become delinquent regardless of whether the governing body utilizes the security deposit to satisfy any delinquent payments: *Provided, however*, That nothing contained within the rules of the Public Service Commission shall be deemed to require any agents or employees of the governing body to accept payment at the customer's premises in lieu of discontinuing service for a delinquent bill.

(f) Such rates, fees or charges shall be sufficient in each year for the payment of the proper and reasonable expense of operation, repair, replacements and maintenance of the works and for the payment of the sums herein required to be paid into the sinking fund. Revenues collected pursuant to this section shall be considered the revenues of the works.

(g) No such rates, fees or charges shall be established until after a public hearing, at which all the users of the works and owners of property served or to be served thereby and others interested shall have an opportunity to be heard concerning the proposed rates, fees or charges.

(h) After introduction of the ordinance fixing such rates, fees or charges, and before the same is finally enacted, notice of such hearing, setting forth the proposed schedule of rates, fees or charges, shall be given by publication as a Class II–0 legal advertisement in compliance with the provisions of article three, chapter fifty-nine of this code and the publication area for such publication shall be the municipality. The first publication shall be made at least ten days before the date fixed in the notice for the hearing.

(i) After the hearing, which may be adjourned, from time to time, the ordinance establishing rates, fees or charges, either as originally introduced or as modified and amended, shall be passed and put into effect. A copy of the schedule of the rates, fees and charges shall be kept on file in the office of the board having charge of the operation of such works, and also in the office of the clerk of the municipality, and shall be open to inspection by all parties interested. The rates, fees or charges established for any class of users or property served shall be extended to cover any additional premises thereafter served which fall within the same class, without the necessity of any hearing or notice.

(j) Any change or readjustment of such rates, fees or charges may be made in the same manner as the rates, fees or charges were originally established as hereinbefore provided: *Provided*, That if a change or readjustment be made substantially pro rata, as to all classes of service, no hearing or notice shall be required. The aggregate of the rates, fees or charges shall always be sufficient for the expense of operation, repair and maintenance and for the sinking fund payments.

(k) All rates, fees or charges, if not paid when due, shall constitute a lien upon the premises served by such works. If any service rate, fees or charge is not paid within twenty days after it is due, the amount thereof, together with a penalty of ten percent and a reasonable attorney's fee, may be recovered by the board in a civil action in the name of the municipality. The lien may be foreclosed against such lot, parcel of land or building in accordance with the laws relating thereto. Where both water and sewer services are furnished by any municipality to any premises, the schedule of charges may be billed as a single amount or individually itemized and billed for the aggregate thereof.

(*l*) Whenever any rates, rentals, fees or charges for services or facilities furnished shall remain unpaid for a period of twenty days after they become due, the property and the owner thereof, as well as the user of the services and facilities shall be delinquent until such time as all rates, fees and charges are fully paid. When any payment for rates, rentals, fees or charges becomes delinquent, the governing body may use the security deposit to satisfy the delinquent payment.

(m) The board collecting the rates, fees or charges shall be obligated under reasonable rules to shut off and discontinue both water and sewer services to all delinquent users of water, sewer or stormwater facilities and shall not restore either water facilities or sewer facilities to any delinquent user of any such facilities until all delinquent rates, fees or charges for water, sewer and stormwater facilities, including reasonable interest and penalty charges, have been paid in full, as long as such actions are not contrary to any rules or orders of the

ːe Commission: *Provided*, That nothing contained within the rules of the Public mission shall be deemed to require any agents or employees of the municipality ; body to accept payment at the customer's premises in lieu of discontinuing delinquent bill.

. Sess., c. 25, § 16; Acts 1933, 2nd Ex. Sess., c. 48; Acts 1959, c. 125; Acts 1967, c. 105; ːl2, eff. 90 days after April 14, 2001; Acts 2004, c. 185, eff. 90 days after March 12, 2004; 02, eff. March 8, 2008; Acts 2010, c. 201, eff. June 11, 2010.

a. Additional powers of municipality to cease pollution

ːhstanding any other provision contained in this article, and in addition thereto, g body of any municipality which has received or which hereafter receives an l by the Secretary of the Department of Environmental Protection or the ːal Quality Board requiring the municipality to cease the pollution of any stream hereby authorized to establish and maintain, by ordinance, just and equitable · charges for the use of the services and facilities of the existing municipal sewer ɪr stormwater system, or for the use of the services and facilities to be rendered ːion of any works and system necessary by virtue of said order, to be paid by the ɪt or occupant of each and every lot or parcel of real estate or building that is th and uses any part of such sewer system or stormwater system, or that in any ːs served thereby, and may change and readjust such rates, fees or charges from

tes, fees or charges shall be sufficient to all the proper and reasonable costs and ːhe acquisition and construction of plants, machinery and works for the collection, urification and disposal of sewage or stormwater and the repair, alteration and existing sewer facilities or stormwater facilities, as may be necessary to comply ·der of the Secretary of the Department of Environmental Protection or the ːal Quality Board, and for the operation, maintenance and repair of the entire ·stem.

verning body shall create, by ordinance, a sinking fund to accumulate and hold all of the proceeds derived from rates or charges until completion of the to be remitted to and administered by the Municipal Bond Commission by ɪd paying the costs and expenses of construction and operation in the manner as ːaid ordinance.

he completion of the construction, the rates, fees or charges shall be sufficient in r the payment of the proper and reasonable costs and expenses of operation, repair, replacement and extension, from time to time, of the entire sewer and re stormwater works.

h rates, fees or charges shall be established until after a public hearing, at which tial users of the works and owners of property served or to be served thereby ːhall have had an opportunity to be heard concerning the proposed rates or

ɪtroduction of the ordinance fixing rates, fees or charges, and before the same is ːd, notice of such hearing setting forth the proposed schedule of rates, fees or l be given by publication of notice as a Class II–0 legal advertisement in ɪith the provisions of article three, chapter fifty-nine of this code. The publica- such publication is the municipality. The first publication shall be made at least ɪre the date fixed therein for the hearing.

such hearing, which may be adjourned from time to time, the ordinance the rates, fees or charges, either as originally introduced or as modified and ːy be passed and put into effect. A copy of the schedule of the rates, fees and tablished shall be kept on file in the office of the sanitary board having charge of ion and operation of such works and in the office of the clerk of the municipality. of rates, fees and charges shall be open to inspection by all parties interested. ːes or charges established for any class of users or property served shall be ːover any additional premises thereafter served which fall within the same class, ecessity of any hearing or notice.

(h) Any change or readjustment of rates, fees or charges may be made in the same manner as rates, fees or charges were originally established as hereinbefore provided: *Provided,* That if such change or readjustment be made substantially pro rata, as to all classes of service, no hearing or notice is required.

(i) If any rate, fee or charge is not paid within thirty days after it is due, the amount thereof, together with a penalty of ten percent and a reasonable attorney's fee, may be recovered by the sanitary board of the municipality in a civil action in the name of the municipality.

(j) Any municipality exercising the powers given herein has the authority to construct, acquire, improve, equip, operate, repair and maintain any plants, machinery or works necessary to comply with the order of the Secretary of the Department of Environmental Protection or the Environmental Quality Board and the authority provided herein to establish, maintain and collect rates, fees or charges is an additional and alternative method of financing such works and matters, and is independent of any other provision of this article insofar as the article provides for or requires the issuance of revenue bonds or the imposition of rates, fees and charges in connection with the bonds: *Provided,* That except for the method of financing such works and matters, the construction, acquisition, improvement, equipment, custody, operation, repair and maintenance of any plants, machinery or works in compliance with an order of the Secretary of the Department of Environmental Protection or the Environmental Quality Board and the rights, powers and duties of the municipality and the respective officers and departments thereof, including the sanitary board, are governed by the provisions of this article.

(k) The jurisdiction and authority provided by this section does not extend to highways, road and drainage easements and stormwater facilities constructed, owned or operated by the West Virginia Division of Highways and no rates, fees or charges for stormwater services or costs of compliance may be assessed against highways, road and drainage easements and/or stormwater facilities constructed, owned and/or operated by the West Virginia Division of Highways.

(*l*) A municipality which has been designated by the Environmental Protection Agency as an entity to serve a West Virginia Separate Storm Sewer System community, as defined in 40 C.F.R. § 122.26, has the authority to enact ordinances or regulations which allow for the issuance of orders, the right to enter properties and the right to impose reasonable fines and penalties regarding correction of violations of municipal stormwater ordinances or regulations within the municipal watershed served by the municipal stormwater system, as long as such rules, regulations, fines or actions are not contrary to any rules or orders of the Public Service Commission.

(m) Notice of a violation of a municipal stormwater ordinance or regulation shall be served n person to the alleged violator or by certified mail, return receipt requested. The notice shall state the nature of the violation, the potential penalty, the action required to correct the violation and the time limit for making the correction. Should a person, after receipt of proper notice, fail to correct the violation of the municipal stormwater ordinance or regulation, the municipality may make or have made the corrections of the violation and bring the party into compliance with the applicable stormwater ordinance or regulation. The municipality may collect the costs of correcting the violation from the person by instituting a civil action, as long as such actions are not contrary to any rules or orders of the Public Service Commission.

(n) A municipality which has been designated by the Environmental Protection Agency as n entity to serve a West Virginia Separate Storm Sewer System community shall prepare an nnual report detailing the collection and expenditure of rates, fees or charges and make it vailable for public review at the place of business of the governing body and the stormwater tility main office.

cts 1955, c. 135; Acts 1967, c. 105; Acts 1994, c. 61; Acts 2001, c. 212, eff. 90 days after April 14, 2001; cts 2008, c. 202, eff. March 8, 2008.

ARTICLE 2

WATER POLLUTION CONTROL REVOLVING FUND ACT

Section

22C-2-1. Definitions.
22C-2-2. Designation of division of environmental protection as state instrumentality for purposes of capitalization agreements with the United States environmental protection agency.
22C-2-3. West Virginia water pollution control revolving fund; disbursement of fund moneys; administration of the fund.
22C-2-4. Annual audit.
22C-2-5. Collection of money due to the fund.
22C-2-6. State construction grants program established; special fund.
22C-2-7. Environmental review of funded projects.
22C-2-8. Conflicting provisions.

§ 22C-2-1. Definitions

Unless the context in which used clearly requires a different meaning, as used in this article:

(a) "Authority" means the water development authority provided for in section four, article one of this chapter.

(b) "Cost" as applied to any project financed under the provisions of this article means the total of all costs incurred by a local entity that are reasonable and necessary for carrying out all works and undertakings necessary or incident to the accomplishment of any project including:

(1) Developmental, planning and feasibility studies, surveys, plans and specifications;

(2) Architectural, engineering, financial, legal or other special services;

(3) Acquisition of land and any buildings and improvements on the land or buildings, including the discharge of any obligations of the sellers of the land, buildings or improvements;

(4) Site preparation and development, including demolition or removal of existing structures, construction and reconstruction, labor, materials, machinery and equipment;

(5) The reasonable costs of financing incurred by the local entity in the course of the development of the project, carrying charges incurred before placing the project in service, interest on funds borrowed to finance the project to a date subsequent to the estimated date the project is to be placed in service, necessary expenses incurred in connection with placing the project in service, and the funding of accounts and reserves which the authority may require; and

(6) Other items that the division of environmental protection determines to be reasonable and necessary.

(c) "Fund" means the state water pollution control revolving fund provided for in this article as it may be expanded or modified from time to time pursuant

to the clean water act, as amended, the federal safe drinking water act, as amended or by the executive order of the governor issued to comply with federal laws relating to the acts.

(d) "Instrumentality" means the division of environmental protection or the agency designated by an order of the governor as having the primary responsibility for administering the fund pursuant to the federal clean water act, as amended, and the federal safe drinking water act, as amended, or other federal laws.

(e) "Local entity" means any county, city, town, municipal corporation, authority, district, public service district, commission, banking institution or political subdivision in West Virginia.

(f) "Project" means any public water or wastewater treatment facility located or to be located in or outside this state by a local entity and includes:

(1) Sewage and wastewater collection, treatment and disposal facilities;

(2) Public water transportation, treatment and distribution facilities;

(3) Drainage facilities and projects;

(4) Administrative, maintenance, storage and laboratory facilities related to the facilities delineated in subdivisions (1), (2) and (3) of this subsection;

(5) Interests in land related to the facilities delineated in subdivisions (1), (2), (3) and (4) of this subsection; and

(6) Other projects allowable under federal law.

Acts 1994, c. 61; Acts 1996, c. 257, eff. 90 days after March 8, 1996.

United States Code Annotated

Water Pollution Prevention and Control,
Generally, see 33 U.S.C.A. § 1251 et seq.
Effluent limitations, see 33 U.S.C.A. § 1311 et seq.
Water Pollution, Waste Treatment Management, grants, see 33 U.S.C.A. § 1281 et seq.

§ 22C-2-2. Designation of division of environmental protection as state instrumentality for purposes of capitalization agreements with the United States environmental protection agency

The division of environmental protection shall act as the instrumentality that is empowered to enter into capitalization agreements with the United States environmental protection agency, to accept capitalization grant awards made under the federal clean water act, as amended, the safe drinking water act, as amended, and other federal laws and to otherwise manage the fund provided for in this article in accordance with the requirements of said federal laws.

Acts 1994, c. 61.

Library References

Environmental Law ⇐216.
Westlaw Topic No. 149E.
C.J.S. Health and Environment §§ 130, 172.

§ 22C-2-3. West Virginia water pollution control revolving fund; disbursement of fund moneys; administration of the fund

(a) Under the direction of the division of environmental protection, the water development authority shall establish, administer and manage a permanent and perpetual fund, to be known as the "West Virginia Water Pollution Control Revolving Fund." The fund shall be comprised of moneys appropriated to the fund by the Legislature, moneys allocated to the state by the federal government expressly for the purposes of establishing and maintaining a state water pollution control revolving fund, all receipts from loans made from the fund to local entities, all income from the investment of moneys held in the fund, and all other sums designated for deposits to the fund from any source, public or private. Moneys in the fund shall be used solely to make loans to local entities to finance or refinance the costs of a project: Provided, That moneys in the fund shall be utilized to defray the costs incurred by the authority and the division of environmental protection in administering the provisions of this article: Provided, however, That moneys in the fund shall be used to make grants for projects to the extent allowed or authorized by federal law.

(b) The director of the division of environmental protection, in consultation with the authority, shall promulgate legislative rules in accordance with the provisions of article three, chapter twenty-nine-a of this code, to:

(1) Govern the disbursement of moneys from the fund; and

(2) Establish a state water pollution control revolving fund program to direct the distribution of grants or loans from the fund to particular local entities and establish the interest rates and repayment terms of the loans.

(c) In order to carry out the administration and management of the fund, the authority is authorized to employ officers, employees, agents, advisers and consultants, including attorneys, financial advisers, engineers, other technical advisers and public accountants and, notwithstanding any provisions of this code to the contrary, to determine their duties and compensation without the approval of any other agency or instrumentality.

(d) The authority shall promulgate legislative rules in accordance with the provisions of article three, chapter twenty-nine-a of this code to govern the pledge of loans to secure bonds of the authority.

(e) All moneys belonging to the fund shall be kept in appropriate depositories and secured in conformance with this code. Disbursements from the fund shall be authorized for payment by the director of the authority or the director's designee. Any depository or officer of the depository to which moneys of the fund are paid shall act as trustee of the moneys and shall hold and apply them solely for the purposes for which the moneys are provided under this article. Moneys in the fund shall not be commingled with other money of the authority. If not needed for immediate use or disbursement, moneys in the fund may be invested or reinvested by the authority in obligations or securities which are considered lawful investments for public funds under this code.

Acts 1994, c. 61; Acts 1996, c. 257, eff. 90 days after March 8, 1996.

Administrative Code References

Program rules, see W. Va. Code St. R. § 47-31-1 et seq.

Library References

Environmental Law ⇐179, 180, 216.
States ⇐127.
Westlaw Topic Nos. 149E, 360.
C.J.S. Health and Environment §§ 130, 172.
C.J.S. States §§ 386 to 387.

§ 22C-2-4. Annual audit

The authority shall cause an audit of its books and accounts to be made at least once each fiscal year by certified public accountants, and the cost thereof may be defrayed as a part of the cost of construction of a project or as an administrative expense under the provisions of subsection (a), section three of this article.

Acts 1994, c. 61.

Library References

Environmental Law ⇐179, 180, 216.
States ⇐121.
Westlaw Topic Nos. 149E, 360.
C.J.S. Health and Environment §§ 130, 172.
C.J.S. States §§ 322 to 323, 372.

§ 22C-2-5. Collection of money due to the fund

In order to ensure the timely payment of all sums due and owing to the fund under a revolving fund loan agreement between the state and a local entity, and notwithstanding any provisions of this code to the contrary, the authority has and may, at its option, exercise the following rights and remedies in the event of any default by a local entity under a loan agreement:

(a) The authority may directly impose, in its own name and for its own benefit, service charges upon all users of a project funded by a loan distributed to a local entity pursuant to this article, and may proceed directly to enforce and collect the service charges, together with all necessary costs of the enforcement and collection.

(b) The authority may exercise, in its own name or in the name of and as the agent for a particular local entity, all of the rights, powers and remedies of the local entity with respect to the project or which may be conferred upon the local entity by statute, rule, regulation or judicial decision, including all rights and remedies with respect to users of the project funded by the loan distributed to that local entity pursuant to this article.

(c) The authority may, by civil action, mandamus or other judicial or administrative proceeding, compel performance by a local entity of all of the terms and conditions of the loan agreement between the state and that local entity including:

(1) The adjustment of service charges as required to repay the loan or otherwise satisfy the terms of the loan agreement;

(2) The enforcement and collection of service charges; and

(3) The enforcement by the local entity of all rights and remedies conferred by statute, rule, regulation or judicial decision.

The rights and remedies enumerated in this section are in addition to rights and remedies conferred upon the authority by law or pursuant to the loan agreement.

Acts 1994, c. 61; Acts 1996, c. 257, eff. 90 days after March 8, 1996.

Library References

Environmental Law ⇐221.
Westlaw Topic No. 149E.

C.J.S. Health and Environment §§ 130, 150, 172.

§ 22C–2–6. State construction grants program established; special fund

(a) The director of the division of environmental protection shall promulgate rules in accordance with the provisions of chapter twenty-nine-a of this code to establish a state construction grants program that is designed to complement and supplement the state water pollution control revolving fund program established pursuant to subsection (b), section three of this article.

(b) The special fund designated "The West Virginia Construction Grants Fund" established in the state treasury is continued. The special fund shall be comprised of moneys appropriated to said fund by the Legislature, assessments on existing wastewater treatment facilities, and all other sums designated for deposit to the special fund from any source, public or private: Provided, That such assessments shall be made and collected in accordance with fee schedules to be established by legislative rules promulgated by the director of the division of environmental protection, in accordance with chapter twenty-nine-a of this code. Moneys in the special fund shall be used solely for the state construction grants program established under subsection (a) of this section: Provided, however, That moneys in the special fund may be utilized to defray the costs incurred by the division of environmental protection in administering the provisions of this section.

Acts 1994, c. 61.

Administrative Code References

Construction grants program rules, see W. Va. Code St. R. § 47–33–1 et seq.

Library References

Environmental Law ⇐180, 217.
States ⇐127.
Westlaw Topic Nos. 149E, 360.

C.J.S. Health and Environment §§ 130, 133, 172.
C.J.S. States §§ 386 to 387.

§ 22C–2–7. Environmental review of funded projects

(a) The division of environmental protection shall conduct an environmental review on each project funded under this article. The director of the division of environmental protection shall promulgate legislative rules in accordance with the provisions of article three, chapter twenty-nine-a of this code to implement the environmental review of funded projects: Provided, That the rules shall be

consistent with the regulations promulgated by the United States environmental protection agency pursuant to the federal clean water act, as amended.

(b) The director of the division of environmental protection is authorized to direct a local entity, or its agent, to implement all measures that, in the judgment of the director, are necessary in order to mitigate or prevent adverse impacts to the public health, safety or welfare or to the environment that may result from a project funded under this article. The director is further authorized to require all projects to comply with all other appropriate federal laws and regulations that are required of the projects under the federal clean water act, as amended.

Acts 1994, c. 61; Acts 1996, c. 257, eff. 90 days after March 8, 1996.

Library References

Environmental Law ⇐179, 180, 574, 595(3). Westlaw Topic No. 149E.

C.J.S. Health and Environment §§ 105 to 106, 111, 113 to 114, 116, 125, 172.

§ 22C–2–8. Conflicting provisions

The provisions of this article shall be liberally construed to the end that its beneficial purposes may be effectuated. Insofar as the provisions of this article are inconsistent with the provisions of any other general, special or local law, the provisions of this article are controlling.

Acts 1994, c. 61.

Library References

Environmental Law ⇐167, 170, 575. Westlaw Topic No. 149E.

C.J.S. Health and Environment §§ 106, 111, 172.

public need as the facility otherwise proposed to be acquired or constructed by the governmental agency with the proceeds of such bonds or notes.

Acts 1994, c. 61; Acts 2008, c. 203, eff. June 5, 2008.

ARTICLE 2

WATER POLLUTION CONTROL REVOLVING FUND ACT

Section
22C-2-1. Definitions.
22C-2-5. Collection of money due to the fund.

§ 22C-2-1. Definitions

Unless the context in which used clearly requires a different meaning, as used in this article:

(a) "Authority" means the Water Development Authority provided for in section four, article one of this chapter.

(b) "Cost" as applied to any project financed under the provisions of this article means the total of all costs incurred by a local entity that are reasonable and necessary for carrying out all works and undertakings necessary or incident to the accomplishment of any project including:

(1) Developmental, planning and feasibility studies, surveys, plans and specifications;

(2) Architectural, engineering, financial, legal or other special services;

(3) Acquisition of land and any buildings and improvements on the land or buildings, including the discharge of any obligations of the sellers of the land, buildings or improvements;

(4) Site preparation and development, including demolition or removal of existing structures, construction and reconstruction, labor, materials, machinery and equipment;

(5) The reasonable costs of financing incurred by the local entity in the course of the development of the project, carrying charges incurred before placing the project in service, interest on funds borrowed to finance the project to a date subsequent to the estimated date the project is to be placed in service, necessary expenses incurred in connection with placing the project in service and the funding of accounts and reserves which the authority may require; and

(6) Other items that the Department of Environmental Protection determines to be reasonable and necessary.

(c) "Fund" means the State Water Pollution Control Revolving Fund provided for in this article as it may be expanded or modified, from time to time, pursuant to the Clean Water Act, 33 U.S.C. § 1251, *et seq.*, as amended, the Federal Safe Drinking Water Act 42 U.S.C. § 300f through § 300j–26, inclusive, as amended, or by the executive order of the Governor issued to comply with federal laws relating to the acts.

(d) "Instrumentality" means the Department of Environmental Protection or the agency designated by an order of the Governor as having the primary responsibility for administering the fund pursuant to the Clean Water Act, 33 U.S.C. § 1251, *et seq.*, as amended, and the Federal Safe Drinking Water Act 42 U.S.C. § 300f through § 300j–26, inclusive, as amended, or other federal laws.

(e) "Local entity" means any county, city, town, municipal corporation, authority, district, public service district, commission, banking institution, political subdivision, regional governmental authority, state government agency, interstate agency or not-for-profit association or corporation in West Virginia.

(f) "Project" means any water or wastewater treatment facility located or to be located in or outside this state by a local entity and includes:

ge and wastewater collection, treatment and disposal facilities;

: water transportation, treatment and distribution facilities;

age facilities and projects;

nistrative, maintenance, storage and laboratory facilities related to the facilities n subdivisions (1), (2) and (3) of this subsection;

ests in land related to the facilities delineated in subdivisions (1), (2), (3) and (4) of ion; and

projects allowable under federal law.

61; Acts 1996, c. 257, eff. 90 days after March 8, 1996; Acts 2007, c. 132, eff. June 8, 2007.

United States Supreme Court

tal law,
water, dams, discharge potential,
: certification requirement under

Clean Water Act, see S.D. Warren Co. v. Maine Bd. of Environmental Protection, 2006, 126 S.Ct. 1843.

. Designation of division of environmental protection as state instrumentality for purposes of capitalization agreements with the United States environmental protection agency

United States Supreme Court

tal law,
water, dams, discharge potential,
: certification requirement under

Clean Water Act, see S.D. Warren Co. v. Maine Bd. of Environmental Protection, 2006, 126 S.Ct. 1843.

. Collection of money due to the fund

ler to ensure the timely payment of all sums due and owing to the fund under a nd loan agreement between the state and a local entity, and notwithstanding any f this code to the contrary, the authority has and may, at its option, exercise the ghts and remedies in the event of any default by a local entity under a loan

uthority may directly impose, in its own name and for its own benefit, service n all users of a project funded by a loan distributed to a local entity pursuant to und may proceed directly to enforce and collect the service charges, together with y costs of the enforcement and collection.

uthority may exercise, in its own name or in the name of and as the agent for a cal entity, all of the rights, powers and remedies of the local entity with respect to or which may be conferred upon the local entity by statute, rule, regulation or sion, including all rights and remedies with respect to users of the project funded distributed to that local entity pursuant to this article.

uthority may, by civil action, mandamus or other judicial or administrative compel performance by a local entity of all of the terms and conditions of the loan etween the state and that local entity including:

djustment of service charges as required to repay the loan or otherwise satisfy the loan agreement;

nforcement and collection of service charges; and

nforcement by the local entity of all rights and remedies conferred by statute, ion or judicial decision. The rights and remedies enumerated in this section are o rights and remedies conferred upon the authority by law or pursuant to the loan

ans made for projects defined in subdivision (6), subsection (f), section one of this ie direction of the Department of Environmental Protection, the authority shall

take a security or other interest in real or personal property with the right to foreclose upon a default to secure loans made from the fund.

Acts 1994, c. 61; Acts 1996, c. 257, eff. 90 days after March 8, 1996; Acts 2007, c. 132, eff. June 8, 2007.

§ 22C–2–7. Environmental review of funded projects

United States Supreme Court

Environmental law,
Clean water, dams, discharge potential, state certification requirement under Clean Water Act, see S.D. Warren Co. v. Maine Bd. of Environmental Protection, 2006, 126 S.Ct. 1843.

ARTICLE 4

COUNTY AND REGIONAL SOLID WASTE AUTHORITIES

Section
22C–4–10. Mandatory disposal; proof required; penalty imposed; requiring solid waste management board and the Public Service Commission to file report.

§ 22C–4–10. Mandatory disposal; proof required; penalty imposed; requiring solid waste management board and the Public Service Commission to file report

(a) Each person occupying a residence or operating a business establishment in this state shall either:

(1) Subscribe to and use a solid waste collection service and pay the fees established therefor; or

(2) Provide proper proof that said person properly disposes of solid waste at least once within every thirty-day period at approved solid waste facilities or in any other lawful manner. The Secretary of the Department of Environmental Protection shall promulgate rules pursuant to chapter twenty-nine-a of this code regarding an approved method or methods of supplying such proper proof. A civil penalty of one hundred fifty dollars may be assessed to the person not receiving solid waste collection services in addition to the unpaid fees for every year that a fee is not paid. Any person who violates the provisions of this section by not lawfully disposing of his or her solid waste or failing to provide proper proof that he or she lawfully disposes of his or her solid waste at least once a month is guilty of a misdemeanor. Upon conviction, he or she is subject to a fine of not less than fifty dollars nor more than one thousand dollars or sentenced to perform not less than ten nor more than forty hours of community service, such as picking up litter, or both fined and sentenced to community service.

(b) The Solid Waste Management Board, in consultation and collaboration with the Public Service Commission, shall prepare and submit, no later than the first day of October, one thousand nine hundred ninety-two, a report concerning the feasibility of implementing a mandatory fee for the collection and disposal of solid waste in West Virginia: *Provided,* That such plan shall consider such factors as affordability, impact on open dumping and other relevant matters. The report shall be submitted to the Governor, the President of the Senate and the Speaker of the House of Delegates.

(c) The Public Service Commission, in consultation and collaboration with the Division of Human Services, shall prepare and submit, no later than the first day of October, one thousand nine hundred ninety-two, a report concerning the feasibility of reducing solid waste collection fees to individuals who directly pay such fees and who receive public assistance from state or federal government agencies and are therefore limited in their ability to afford to pay for solid waste disposal. This report shall consider the individual's health and income maintenance and other relevant matters. This report shall also include recommended procedures for individuals or households to qualify for and avail themselves of a reduction in